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Morehouse Parish School Board

Bastrop, Louisiana



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Release Date 1/26/11

Annual Financial Report

As of and for the year ended June 30, 2010

**Morehouse Parish School Board
Bastrop, Louisiana**

**Annual Financial Report
As of and for the Year Ended June 30, 2010**

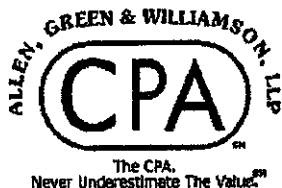
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Independent Auditors' Report

Board Members
Morehouse Parish School Board
Bastrop, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Morehouse Parish School Board as of and for the year ended June 30, 2010, which collectively comprise the School Board's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board as of June 30, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 17, 2010, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, Schedule of Funding Progress for Other Post Employment Benefit Plan, and the Budgetary Comparison Schedules, as listed in the table of contents, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The supplemental information and the Schedule of Expenditures of Federal Awards as required by OMB Circular A-133, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The information identified in the table of contents as *Other Information* is presented for purposes of additional analysis and is not a required part of the basic financial statements of the School Board. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 17, 2010

REQUIRED SUPPLEMENTAL INFORMATION:

**MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)**

Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2010

Our discussion and analysis of Morehouse Parish School Board's financial performance provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2010. Please read it in conjunction with the School Board's financial statements which follow this Management's Discussion and Analysis.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS The primary resources available to the School Board are local revenues which are primarily tax receipts, state revenues which are primarily minimum foundation funding and cost reimbursement grants, and federal revenues which are primarily cost reimbursement grants.

Total revenues of the governmental funds increased \$3,910,097 for the year ended June 30, 2010 due mainly to 1)The \$1,600,000 given by the state MFP for emergency funds to close schools and have the necessary capital outlay to prepare for school consolidations; 2)The rolling forward of ad valorem taxes to increase collections; and 3)Less spending for employee salaries and benefits due to a reduction in force of personnel at the end of June, 2009.

Operating grants increased by \$2,696,647, and the state minimum foundation funding increased \$1,154,294. The increase in operating grants is due primarily to federal ARRA (stimulus) funding for Title I, IDEA, technology, and state fiscal stabilization fund. The state and federal programs are cost reimbursement programs and any increase in revenues is offset by an equal increase in expenses. Ad valorem taxes for 2010 increased by \$301,945 and sales tax decreased by \$512,647.

Total expenditures of the governmental funds increased by \$195,340 from the prior year. The increase was mainly due to increased expenditures of operating grants and a decrease in expenditures as a result of a reduction in force of personnel at the end of the 2009 fiscal year.

ANNUAL REPORT The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Assets and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. Our fund financial statements are included later in this report. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds, the General Fund, Title I, School Food Service fund, Capital Improvements, and Debt Service Fund. The remaining statement - the Statement of Fiduciary Assets and Liabilities presents financial information about activities for which the School Board acts solely as an agent for the benefit of students and parents.

**Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2010**

Required Supplemental Information

Management's Discussion & Analysis (MD&A)

Basic Financial Statements

**Government-wide
Financial Statements**



**Fund
Financial Statements**

Notes to the Basic Financial Statements

Required Supplemental Information

**Schedule of Funding Progress
Budgetary Information for Major Funds**

Supplemental Information

**Nonmajor Funds Combining Statements
Agency Funds Statements/Schedules
Schedule of Compensation Paid Board Members**

Our auditor has provided assurance in the independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance is being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Reporting the School Board as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the School Board as a whole begins with the government-wide financial statements. One of the most important questions asked about the School Board is, "Is the School Board as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities, which appear first in the School Board's financial statements, report information on the School Board as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2010

These two statements report the School Board's net assets - the difference between assets and liabilities, as reported in the Statement of Net Assets - as one way to measure the School Board's financial health, or financial position. Over time, increases or decreases in the School Board's net assets - as reported in the Statement of Activities - are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School Board's operating results. However, the School Board's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the School Board.

The Statement of Net Assets and Statement of Activities report the following activity for the School Board:

Governmental activities - all of the School Board's services are reported here, including instruction, plant services, transportation, and food services. Property taxes, sales taxes, Minimum Foundation Program funds, and state and federal grants finance most of these activities.

Reporting the School Board's Most Significant Funds

Fund Financial Statements

The School Board's fund financial statements provide detailed information about the most significant funds - not the School Board as a whole. Some funds are required to be established by State law and by bond covenants. However, the School Board establishes many other funds to help it control and manage money for particular purposes (like the school lunch) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants the School Board receives from the U.S. Department of Education). The School Board's governmental funds use the following accounting approach:

Governmental funds - All of the School Board's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School Board's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School Board's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation on Statements D and F.

The School Board as Trustee

Reporting the School Board's Fiduciary Responsibilities

The School Board is the trustee, or fiduciary, for its student activities funds. All of the School Board's fiduciary activities are reported in the Statements of Fiduciary Assets and Liabilities. We exclude these activities from the School Board's other financial statements because the School Board cannot use these assets to finance its operations. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2010

THE SCHOOL BOARD AS A WHOLE The School Board's net assets were \$7,694,492 at June 30, 2010. Of this amount \$(2,276,489) was unrestricted. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets, (Table 1) and the change in net assets (Table 2) of the School Board's governmental activities.

Table 1
Net Assets
June 30, 2010

	<u>2010</u>	<u>2009</u>	<u>Variance</u>
Current and other assets	\$13,803,693	\$10,703,853	\$ 3,099,840
Capital assets	<u>25,179,471</u>	<u>24,817,940</u>	<u>361,531</u>
Total assets	<u>38,983,164</u>	<u>35,521,793</u>	<u>3,461,371</u>
Current and other liabilities	4,226,574	4,246,817	(20,243)
Long-term liabilities	<u>27,062,098</u>	<u>23,362,808</u>	<u>3,699,290</u>
Total liabilities	<u>31,288,672</u>	<u>27,609,625</u>	<u>3,679,047</u>
Net assets			
Invested in capital assets, net of debt	7,873,456	7,606,308	267,148
Debt service	2,097,525	2,011,950	85,575
Unrestricted	<u>(2,276,489)</u>	<u>(1,706,090)</u>	<u>(570,399)</u>
Total net assets	<u>\$ 7,694,492</u>	<u>\$ 7,912,168</u>	<u>\$ (217,676)</u>

The \$(2,276,489) in unrestricted net assets of governmental activities represents accumulated results of all past year's operations. The net assets of the School Board decreased by \$(2,276,489).

The results of this year's operations for the School Board as a whole are reported in the Statement of Activities. Table 2 on the next page, takes the information from that statement and rearranges it slightly so that readers can see total revenues for the year.

Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2010

Table 2
Changes in Net Assets
For the Year Ended June 30, 2010

	<u>Governmental Activities</u>		
	<u>2010</u>	<u>2009</u>	<u>Variance</u>
Net Assets - beginning	\$ 7,912,168	\$ 9,663,110	\$ (1,750,942)
Revenues:			
Program revenues			
Charges for services	134,595	244,251	(109,656)
Operating grants and contributions	13,325,939	10,629,292	2,696,647
Capital Grant & Contributions	-	-	-
General Revenues			
Ad valorem taxes	6,053,352	5,751,407	301,945
Sales taxes	5,508,612	6,021,259	(512,647)
State equalization	29,753,160	28,598,866	1,154,294
Other general revenues	1,316,484	936,970	379,514
Total revenues	<u>56,092,142</u>	<u>52,182,045</u>	<u>3,910,097</u>
Functions/Program Expenses:			
Instruction			
Regular programs	21,030,302	21,035,500	(5,198)
Special programs	5,515,742	5,929,364	(413,622)
Other instructional programs	7,091,415	4,355,664	2,735,751
Support services			
Student services	2,872,137	2,830,416	41,721
Instructional staff support	3,924,354	3,502,054	422,300
General administration	1,012,688	1,046,440	(33,752)
School administration	2,814,575	3,024,453	(209,878)
Business services	829,418	824,135	5,283
Plant services	3,679,641	3,510,148	169,493
Student transportation services	2,622,827	2,658,643	(35,816)
Central services	1,136,126	894,554	241,572
Food Services	3,031,549	3,365,752	(334,203)
Community Service Programs	674	1,526	(852)
Interest on long-term debt	748,370	954,338	(205,968)
Total expenses	<u>56,309,818</u>	<u>53,932,987</u>	<u>2,376,831</u>
Increase (decrease) in net assets	<u>(217,676)</u>	<u>(1,750,942)</u>	<u>1,533,266</u>
Net Assets - ending	<u>\$ 7,694,492</u>	<u>\$ 7,912,168</u>	<u>\$ (217,676)</u>

Governmental Activities As reported in the Statement of Activities, the cost of all governmental activities this year was \$56,309,818. The amount that taxpayers ultimately financed for these activities through School Board taxes was only \$11,561,964 because some of the cost was paid by those who benefited from the programs \$134,595 or by other governments and organizations who subsidized certain programs with grants and contributions \$13,325,939. The School Board paid for the remaining amount of \$31,287,320 with \$29,753,160 in Minimum Foundation Program funds, \$1,316,484 in other revenues such as interest and other local sources and the remainder was paid from beginning net assets.

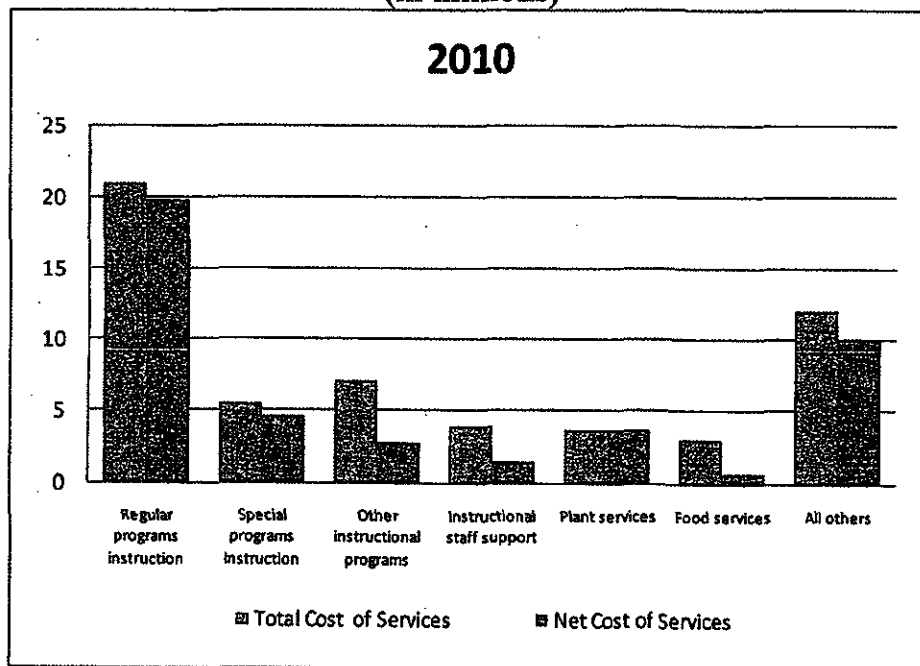
Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2010

In the table below we have presented the cost of each of the School Board's six largest functions - regular programs, special programs, other instructional programs, instructional staff support, plant services, and food services as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows the financial burden that was placed on the School Board's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

For the Years Ended June 30,
Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Regular programs instruction	\$21,030,302	\$21,035,500	\$19,744,925	\$19,375,962
Special programs instruction	5,515,742	5,929,364	4,514,633	2,767,622
Other instructional programs	7,091,415	4,355,664	2,662,379	3,987,497
Instructional staff support	3,924,354	3,502,054	1,517,628	1,960,495
Plant services	3,679,641	3,510,148	3,675,859	3,496,362
Food services	3,031,549	3,365,752	681,357	795,425
All others	12,036,815	12,234,505	10,052,503	10,676,081
Totals	<u>\$56,309,818</u>	<u>\$53,932,987</u>	<u>\$42,849,284</u>	<u>\$43,059,444</u>

Total Cost of Services versus Net Cost of Services
(in millions)



**Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2010**

THE SCHOOL BOARD'S FUNDS As we noted earlier, the School Board uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the School Board is being accountable for the resources taxpayers and others provide to it but may also give you more insight into the School Board's overall financial health.

The fund balance of the general fund increased \$2,533,322 due mainly to a reduction in force of personnel at the end of the previous fiscal year.

The fund balance of the school food service fund increased \$890,080 due mainly to a transfer of over \$800,000 from the General Fund.

The fund balance of the capital improvements fund decreased \$667,207 due mainly to the completion of all scheduled construction projects.

The debt service fund balance increased \$85,575 due mainly to the rollover of ad valorem taxes and no additional debt being issued.

Title I fund is a cost reimbursement fund.

Budgetary Highlights As mentioned earlier the School Board revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the School Board's original and final budgets compared with actual results is provided in the required supplemental information section of this report.)

Changes between the original and final budget were not significant.

The General Fund's actual revenues were \$507,037 more than projected budgeted revenue amounts. This was mainly due to the sale of some old buildings and land and the rollover of the ad valorem taxes which increased the tax collections.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At June 30, 2010, the School Board had \$25,179,471 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deductions, and depreciation) of \$361,532 or approximately 1.5%, from last year. For further detailed information, please refer to Notes to the Financials (Note 6).

Capital Assets at June 30,

	<u>2010</u>	<u>2009</u>
Land	\$ 319,013	\$ 319,013
Construction and Progress	-	970,745
Buildings	22,363,899	21,245,124
Furniture and Equipment	2,496,559	2,283,057
Totals	<u>\$ 25,179,471</u>	<u>\$ 24,817,939</u>

Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2010

DEBT ADMINISTRATION At June 30, 2010, the School Board had \$80,000 in Certificates of Indebtedness maturing on March 1, 2014 with an interest rate of 3.55 percent. General obligations bonds, Series 2003 have a balance of \$8,150,000 and mature on March 1, 2028 with an interest rate of 3.85-5%. The School Board also has general obligation bonds, Series 2004, totaling \$4,220,000 which matures March 1, 2029 with an interest rate of 3.6-5% and Series 2007, totaling \$4,680,000 which matures March 1, 2032 with an interest rate of 4.3-6%. Under state statute, the School Board is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At June 30, 2010, the School Board's net bonded debt of \$15,032,475 (total bonded debt of \$17,130,000 less assets in debt service funds of \$2,097,525) was well below the legal limit of \$65,376,686. For more detailed information, please refer to the Notes to the Financial Statement (Note 12).

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES There are no major changes anticipated in revenues for 2010-2011. Strict adherence will be maintained to budgeted amounts so as to maintain the gains made during the 2009-2010 year.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Ms. Renee Hinton, Business Manager, at the Morehouse Parish School Board, P. O. Box 872, Bastrop, Louisiana 71221-0872, telephone number (318) 281-5784.

Morehouse Parish School Board

BASIC FINANCIAL STATEMENTS:

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

MOREHOUSE PARISH SCHOOL BOARD

STATEMENT OF NET ASSETS
June 30, 2010

	Statement A
	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	\$ 7,657,166
Investments	77,539
Receivables (net)	5,887,345
Inventory	155,837
Prepaid items	0
Investment in land and buildings	45,806
Capital assets:	
Land and construction in progress	319,013
Capital assets, net of depreciation	<u>24,860,458</u>
TOTAL ASSETS	<u>38,983,164</u>
LIABILITIES	
Accounts, salaries and other payables	4,016,580
Deferred revenue	85,966
Interest payable	124,028
Long-term liabilities	
Due within one year	1,255,021
Due in more than one year	<u>25,807,077</u>
TOTAL LIABILITIES	<u>31,288,672</u>
NET ASSETS	
Invested in capital assets, net of related debt	7,873,456
Restricted:	
Debt Service Fund	2,097,525
Unrestricted	<u>(2,276,489)</u>
TOTAL NET ASSETS	<u>\$ 7,694,492</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

MOREHOUSE PARISH SCHOOL BOARD

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2010**

Statement B

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
<i>Governmental activities:</i>				
Instruction:				
Regular programs	\$ (21,030,302)	\$ -	\$ 1,285,377	\$ (19,744,925)
Special education programs	(5,515,742)		1,001,109	(4,514,633)
Other instructional programs	(7,091,415)		4,429,036	(2,662,379)
Support services:				
Student services	(2,872,137)		544,291	(2,327,846)
Instructional staff support	(3,924,354)		2,406,726	(1,517,628)
General administration	(1,012,688)		809,641	(203,047)
School administration	(2,814,575)		111,989	(2,702,586)
Business services	(829,418)		9,203	(820,215)
Plant services	(3,679,641)		3,782	(3,675,859)
Student transportation services	(2,622,827)	-	25,942	(2,596,885)
Central services	(1,136,126)		483,246	(652,880)
Food services	(3,031,549)	134,595	2,215,597	(681,357)
Community service programs	(674)			(674)
Interest on long-term debt	(748,370)	-	-	(748,370)
Total Governmental Activities	(56,309,818)	134,595	13,325,939	(42,849,284)
General revenues:				
Taxes:				
Property taxes, levied for general purposes				6,053,352
Sales taxes, levied for general purposes				5,508,612
Grants and contributions not restricted to specific programs				
Minimum Foundation Program				29,753,160
Other unrestricted state				-
Interest and investment earnings				181,699
Miscellaneous				1,134,785
Total general revenues				42,631,608
Changes in net assets				(217,676)
Net assets - beginning				7,912,168
Net assets - ending				<u><u>\$ 7,694,492</u></u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Morehouse Parish School Board

**BASIC FINANCIAL STATEMENTS:
FUND FINANCIAL STATEMENTS (FFS)**

MOREHOUSE PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS

Balance Sheet

June 30, 2010

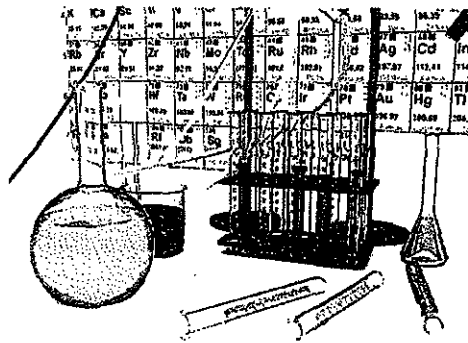
	GENERAL	TITLE I	SCHOOL FOOD SERVICE
ASSETS			
Cash and cash equivalents	\$ 5,045,174	\$ 0	\$ 0
Investments	77,539	0	0
Receivables	1,339,511	2,943,963	92,429
Interfund receivables	4,034,995	0	0
Prepaid items	0	0	0
Inventory	45,982	0	109,855
TOTAL ASSETS	10,543,201	2,943,963	202,284
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	3,366,451	337,467	96,647
Interfund payables	0	2,606,496	94,467
Deferred revenue	0	0	85,966
Total Liabilities	3,366,451	2,943,963	277,080
Fund Balances:			
Reserved for:			
Inventory	0	0	23,889
Debt Service	0	0	0
Unreserved, reported in:			
General Fund - Undesignated	7,176,750	0	0
Special Revenue	0	0	(98,685)
Capital Projects	0	0	0
Total Fund Balances	7,176,750	0	(74,796)
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,543,201	\$ 2,943,963	\$ 202,284

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement C

DEBT SERVICE	CAPITAL IMPROVEMENTS	OTHER GOVERNMENTAL	TOTAL
\$ 2,096,874	\$ 19,476	495,642	\$ 7,657,166
0	0	0	77,539
651	0	1,490,791	5,867,345
0	0	0	4,034,995
0	0	0	0
0	0	0	155,837
<u>2,097,525</u>	<u>19,476</u>	<u>1,986,433</u>	<u>17,792,882</u>
0	0	216,015	4,016,580
0	0	1,334,032	4,034,995
0	0	0	85,966
<u>0</u>	<u>0</u>	<u>1,550,047</u>	<u>8,137,541</u>
0	0	0	23,889
2,097,525	0	0	2,097,525
0	0	0	7,176,750
0	0	17,653	(81,032)
0	19,476	418,733	438,209
<u>2,097,525</u>	<u>19,476</u>	<u>436,386</u>	<u>9,655,341</u>
<u>\$ 2,097,525</u>	<u>\$ 19,476</u>	<u>\$ 1,986,433</u>	<u>\$ 17,792,882</u>

Morehouse Parish School Board



MOREHOUSE PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
June 30, 2010**

Statement D

Total fund balances - governmental funds \$ 9,655,341

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Assets includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Costs of capital assets	\$ 51,342,262	
Depreciation expense to date	<u>26,162,791</u>	25,179,471

Investment in land and school building that is closed. 45,806

Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long term - are reported in the Statement of Net Assets.

Balances at June 30, 2010 are:

Long-term liabilities		
Bonds payable	(17,130,000)	
Notes payable	(176,015)	
Compensated absences payable	(1,681,125)	
OPEB payable	(8,074,958)	
Interest payable	<u>(124,028)</u>	(27,186,126)

Net Assets - Governmental Activities \$ 7,694,492

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

MOREHOUSE PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2010**

	<u>GENERAL</u>	<u>TITLE I</u>	<u>SCHOOL FOOD SERVICE</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 4,177,824	\$ 0	\$ 0
Sales and use	5,508,309	0	0
Interest earnings	172,368	0	0
Food services	0	0	134,595
Other	865,760	0	0
State sources:			
Equalization	29,645,660	0	107,500
Other	378,016	0	0
Federal sources	0	5,507,240	2,131,447
Total Revenues	<u>40,747,937</u>	<u>5,507,240</u>	<u>2,373,542</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	17,139,413	0	0
Special programs	3,871,267	0	0
Other instructional programs	1,980,553	3,167,752	0
Support services:			
Student services	2,146,410	65,615	0
Instructional staff support	1,160,866	1,437,642	0
General administration	112,951	517,775	0
School administration	2,432,289	0	0
Business services	739,618	0	0
Plant services	3,314,022	884	657
Student transportation services	2,191,543	3,185	0
Central services	541,879	330,282	0
Food services	535,453	0	2,293,805
Community service programs	674	0	0
Capital outlay	1,424,476	0	0
Debt service:			
Principal retirement	32,301	0	0
Interest and bank charges	85,065	0	0
Total Expenditures	<u>37,708,780</u>	<u>5,523,135</u>	<u>2,294,462</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ 3,039,157</u>	<u>\$ (15,895)</u>	<u>\$ 79,080</u>

Statement E			
DEBT SERVICE	CAPITAL IMPROVEMENTS	OTHER GOVERNMENTAL	TOTAL
\$ 1,469,054	\$ 0	\$ 406,474	\$ 6,053,352
0	0	303	5,508,612
5,914	2,413	1,004	181,699
0	0	0	134,595
0	0	6,161	871,921
0	0	0	29,753,160
0	0	415,142	793,158
0	0	4,894,094	12,532,781
1,474,968	2,413	5,723,178	55,829,278
0	0	991,627	18,131,040
0	0	1,015,777	4,887,044
0	0	1,308,259	6,456,564
0	0	475,531	2,687,556
0	0	967,323	3,565,831
47,456	0	305,013	983,195
0	0	129,963	2,562,252
0	0	9,203	748,821
0	152,327	24,045	3,491,935
0	0	67,997	2,262,725
0	0	152,964	1,025,125
0	0	85,612	2,914,870
0	0	0	674
0	517,293	14,288	1,956,057
540,000	0	20,000	592,301
801,937	0	4,181	891,183
1,389,393	669,620	5,571,783	53,157,173
\$ 85,575	\$ (667,207)	\$ 151,395	\$ 2,672,105

(CONTINUED)

MOREHOUSE PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2010**

	<u>GENERAL</u>	<u>TITLE I</u>	<u>SCHOOL FOOD SERVICE</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 0	\$ 15,895	\$ 811,000
Transfers out	(811,000)	0	0
Insurance proceeds	2,863	0	0
Sale of capital assets	<u>302,302</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>\$ (505,835)</u>	<u>15,895</u>	<u>811,000</u>
Net Change in Fund Balances	2,533,322	0	890,080
Fund Balances (Deficit) - Beginning	<u>4,643,428</u>	<u>0</u>	<u>\$ (964,876)</u>
Fund Balances (Deficit) - Ending	<u><u>\$ 7,176,750</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (74,796)</u></u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement E			
DEBT SERVICE	CAPITAL IMPROVEMENTS	OTHER GOVERNMENTAL	TOTAL
\$ 0	\$ 0	\$ 0	\$ 826,895
0	0	(15,895)	(826,895)
0	0	0	2,863
0	0	0	302,302
0	0	(15,895)	305,165
85,575	(667,207)	135,500	2,977,270
2,011,950	686,683	300,886	6,678,071
<u>\$ 2,097,525</u>	<u>\$ 19,476</u>	<u>\$ 436,386</u>	<u>\$ 9,655,341</u>

(CONCLUDED)

MOREHOUSE PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2010**

Statement F

Total net change in fund balances - governmental funds \$ 2,977,270

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the period:

Depreciation expense	\$ (1,526,873)	
Capital outlays	<u>1,930,705</u>	
Net capital outlays		403,832

Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 592,301

OPEB liability (4,040,109)

In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time earned (\$884,500) exceeded the amounts used (\$633,018) by \$251,482. (251,482)

In the Statement of Activities, scrapping of capital assets are reported as a gain or loss net of the book value. Whereas in the governmental funds there is no recognition because there is no inflow/outflow of current financial resources:

Cost of assets scrapped	\$438,303	
Accumulated depreciation	<u>(396,002)</u>	
Net loss		(42,301)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

142,813

Change in net assets of governmental activities (217,676)

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

MOREHOUSE PARISH SCHOOL BOARD
FIDUCIARY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2010

	Statement G
	AGENCY FUND
	<hr/>
ASSETS	
Cash and cash equivalents	\$ 330,895
	<hr/>
Total assets	<u>330,895</u>
	<hr/>
LIABILITIES	
Deposits due others	330,895
	<hr/>
Total liabilities	<u>\$ 330,895</u>
	<hr/>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**Morehouse Parish School Board
Notes to the Financial Statements
June 30, 2010**

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**Morehouse Parish School Board
Notes to the Financial Statements
June 30, 2010**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the School Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY The School Board was created by Louisiana Revised Statute LSA-R.S. 17:51 to provide public education for the children within Morehouse Parish. The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of seven members who are elected from seven districts for terms of four years.

The School Board operates twelve schools within the parish with a total enrollment of approximately 4,608 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

GASB Statement No. 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the School Board is considered a *primary government*, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board also has no *component units*, defined by GASB Statement 14 as other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

B. FUNDS The accounts of the School Board are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Funds of the School Board are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds Governmental funds account for the School Board's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of fixed assets, and the servicing of long-term debt. The School Board reports the following major governmental funds:

General fund - the primary operating fund of the School Board accounts for all financial resources except those required to be accounted for in other funds.

Title I - This program is designed to improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. Primarily for provision of compensatory instructional activities to educationally deprived children that reside in low-income areas and have been selected on the basis of a needs assessment. Services supplement, not supplant, those normally provided by state and local educational agencies.

**Morehouse Parish School Board
Notes to the Financial Statements
June 30, 2010**

School Food Service - Through cash grants and food donations, the school food services fund assist in providing a nutritious breakfast and lunch service for school students and to encourage the domestic consumption of nutritious agricultural commodities.

Capital Improvements - The capital improvements fund is used to acquire and improve sites for school buildings and playgrounds, to purchase, erect, and/or improve school buildings and other school-related facilities, and to acquire the necessary equipment and furnishings for these facilities.

Debt Service - revenues received from ad valorem taxes and interest earnings are used to make principal and interest payments on bond indebtedness.

Fiduciary Funds Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the School Board.

Agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. This fund is used to account for assets that the government holds for others in an agency capacity. The agency fund is as follows:

School activity agency fund - accounts for assets held by the School Board as an agent for the individual schools and school organizations.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS) The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The Statement of Net Assets and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 Accounting and Financial Reporting for Nonexchange Transactions.

Program revenues Program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions; program revenues reduce the cost of the function to be financed from the School Board's general revenues. Charges for services are primarily derived from cafeteria sales. Operating grants and contributions consist of the many educational grants received from the federal and state government.

Allocation of indirect expenses The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities.

**Morehouse Parish School Board
Notes to the Financial Statements
June 30, 2010**

Fund Financial Statements (FFS)

Governmental Funds The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are recognized when all applicable eligibility requirements have been met and the resources are available.

Sales taxes are recognized when the underlying transaction occurs and the resources are available.

Entitlements and shared revenue (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible and accrual criteria are met.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Other receipts become measurable and available when cash is received by the School Board and are recognized as revenue at that time.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are accrued at June 30. Substantially all other expenditures are recognized when the related fund liability has been incurred.

Other Financing Sources (Uses) Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Fiduciary Funds The agency fund is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

D. DEPOSITS AND INVESTMENTS Cash includes amounts in demand deposits and interest-bearing demand deposits, and time deposit amounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the School Board may deposit funds in demand deposits,

Morehouse Parish School Board
Notes to the Financial Statements
June 30, 2010

interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Investments are limited by LSA-R.S. 33:2955 and the School Board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at fair value except for the following which are permitted per GASB Statement No. 31: Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

The School Board reported at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

E. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet.

F. INVENTORIES Inventories of the governmental fund type are recorded as expenditures when purchased, except for inventory of the school food service fund.

Inventory of the school food service (special revenue fund) consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received; however, all inventory items are recorded as expenditure when consumed. Unused commodities at June 30 are reported as deferred revenue. All purchased inventory items are valued at cost (first-in, first-out) and commodities are assigned values based on information provided by the United States Department of Agriculture. In 2007, School Food Service also implemented an inventory for all paper products purchased which are recorded as expenditure when consumed.

G. CAPITAL ASSETS Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed and depreciated over their estimated useful lives (including salvage value). The capitalization threshold is \$5,000. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings	10 - 40 years
Furniture and equipment	3 - 10 years

In 2010, the School Board implemented GASB 51, Accounting and Financial Reporting for Intangible Assets. The School Board had no intangibles that met the capitalization threshold for the year ended June 30, 2009.

Morehouse Parish School Board
Notes to the Financial Statements
June 30, 2010

H. DEFERRED REVENUES The School Board reports deferred revenues on its combined balance sheet. Unearned revenues arise when resources are received by the School Board before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for deferred revenue is removed and the revenue is recognized.

I. COMPENSATED ABSENCES All twelve-month employees earn from twelve to eighteen days of sick leave each year, depending on their length of service. All employees working on a nine-month basis earn ten days of sick leave each year. Nine-month employees who work during the summer receive an additional one day of sick leave for each four weeks of summer work. Sick leave may be accumulated and carried forward to succeeding years without limitation. Upon retirement or death, employees or their heirs are paid for the value of accumulated sick leave not to exceed twenty-five days at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.

All twelve-month employees earn from ten to fifteen days of vacation leave each year, depending upon their length of service with the School Board. Twelve-month employees may accumulate and carry forward a maximum of fifteen days' vacation time to succeeding years. Any employee's vacation leave in excess of fifteen days is forfeited at year end without compensation. Upon separation of employment, all employees are paid for unused vacation leave.

The School Board's recognition and measurement criteria for compensated absences follow:

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- A. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- B. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- A. The employees' right to receive compensation is attributable to services already rendered.
- B. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

Only the current portion of the liability for compensated absences is reported in the fund. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. The School Board uses approach B to calculate the accrued sick leave liability.

J. LONG-TERM OBLIGATIONS For government-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34, the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

**Morehouse Parish School Board
Notes to the Financial Statements
June 30, 2010**

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

The School Board provides certain continuing health care benefits for its retired employees. The OPEB plan is a single employer defined benefit "substantive plan" as understood by past practices of the School Board. Expenditures are recorded as payments are made for health insurance premiums.

K. RESTRICTED NET ASSETS For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use unrestricted resources first, then restricted resources as they are needed. All restricted net assets reported in the statement of net assets are restricted by enabling legislation.

L. FUND EQUITY OF FUND FINANCIAL STATEMENTS

Reserves Reservations of fund balance represent those amounts that are not appropriable or are legally segregated for a specific purpose.

Designated Fund Balances Designated fund balances represent tentative management plans that are subject to change.

M. INTERFUND TRANSACTIONS Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

N. SALES TAXES The Morehouse Parish School Board has three sales tax ordinances as follows:

The School Board has a one cent parish-wide sales and use tax as authorized in a special election held November 18, 1989. In accordance with the proposition approved by the voters of the parish, the net "revenues derived from said sales and use tax is to be dedicated and used solely for the purpose of providing funds for the payment of salaries of school employees in the Parish of Morehouse."

The School Board has a one half cent parish-wide sales and use tax. It was authorized in a special election held July 18, 1992. In accordance with the proposition approved by the voters of the parish, the net revenues derived from said sales and use tax is "to be dedicated and used for the purpose of acquiring, constructing, renovating, improving, equipping, furnishing, maintaining and operating public schools and school-related facilities in Morehouse parish and for paying salaries and benefits for teachers and other personnel employed by the

**Morehouse Parish School Board
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Morehouse Parish School Board." The tax was renewed in a special election held July 19, 2003 for a period of ten years ending September 30, 2014.

An additional ½% sales tax was approved by the voters in a special election held July 19, 2003. The net revenues derived from this additional tax are "to be dedicated and used for acquiring, constructing, renovating, improving, equipping, furnishing, maintaining and operating public schools and school-related facilities in Morehouse Parish, and for paying salaries and benefits for teachers and other personnel employed by the Morehouse Parish School Board". The new sales tax is effective for eleven years commencing on October 1, 2003 and ending on September 30, 2014.

O. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

P. ELIMINATION AND RECLASSIFICATIONS In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified.

Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Excess of Expenditures Over Appropriations in Individual Funds The following individual funds had budgeted expenditures over actual expenditures for the year ended June 30, 2010:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$38,462,212	\$38,519,780	\$57,568

B. Deficit Fund Balance The following fund has a deficit in the fund balance at June 30, 2010:

<u>Fund</u>	<u>Deficit Amount</u>
School Food Service	<u>\$74,796</u>

Management expects to correct this deficit by reducing expenditures.

NOTE 3 - LEVIED TAXES The School Board levies taxes on real and business personal property located within Morehouse Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the Morehouse Parish Tax Assessor and approved by the state of Louisiana Tax Commission. The Morehouse Parish Sheriff's Office bills and collects all property taxes for the School Board except for the property located in the city of Bastrop which is billed and collected by the city of Bastrop. Collections are remitted to the School Board monthly.

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Property Tax Calendar

	<u>Parish (Except City of Bastrop)</u>	<u>City of Bastrop</u>
Tax bills mailed	November 2009	November 2009
Total taxes are due	December 31, 2009	December 31, 2009
Lien date	January 1, 2010	March 15, 2010
Penalties and interest are added	January 1, 2010	March 15, 2010
Tax sale date	May 12, 2010	May 12, 2010

Assessed values are established by the Morehouse Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value:

10% land	25% public service properties, excluding land
10% residential improvements	15% other property
15% electronic cooperative properties, excluding land	

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2008. Total assessed value was \$186,790,530 in calendar year 2009. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$36,620,503 of the assessed value in calendar year 2009.

State law requires the Morehouse Parish Sheriff's Department to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 and March 15 as noted in the above property tax calendar of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Morehouse Parish Sheriff's Department is required by the *Constitution of the State of Louisiana* to sell the least quantity of property necessary to settle the taxes and interest owed.

All property taxes are recorded in the general fund and debt service fund. Revenues in such funds are recognized in the accounting period in which an enforceable legal claim arises. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. The School Board uses the lien date to establish the enforceable legal claim date. No receivable has been recorded for 2010 property taxes because the lien date is subsequent to year end.

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

Morehouse Parish School Board
Notes to the Financial Statements
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The following is a summary of authorized and levied (tax rate per \$1,000 Assessed Value) ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:			
Constitutional	5.22	5.22	Statutory
Maintenance and operation	6.45	6.45	2014
Special leeway maintenance and operations	6.01	6.01	2014
Special 1998 capital program tax	10.00	10.00	2013
East Morehouse School District	9.95	9.95	2014
General obligation bonds debt service	Variable	10.00	2028
District taxes:			
Beekman (District 12)	5.00	5.00	2013

NOTE 4 - DEPOSITS AND INVESTMENTS At June 30, 2010, the School Board has deposits as follows:

Interest Rate Risk: The School Board's policy does not address interest rate risk.

Credit Risk: The School Board invests in certificates of deposit which do not have credit ratings. The School Board's policy does not address credit rate risk.

Custodial credit risk-Deposits: In the case of deposits, this is the risk that in the event of a bank failure, the School Board's deposits may not be returned to it. At year end, the School Board's carrying amount of deposits was \$8,065,600 (Statement A -Cash and cash equivalents of \$7,657,166, Investments of \$77,539 and Statement G - \$330,895) and the bank balance was \$10,941,867. Of the bank balance, \$565,182 was covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name. The remaining \$10,376,685 of the bank balance was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand. The School Board's policy does not address custodial credit risk.

NOTE 5 - RECEIVABLES The receivables at June 30, 2010, are as follows:

<u>Class of Receivables</u>	<u>General</u>	<u>Title I</u>	<u>School Food</u>	<u>Debt Service</u>	<u>Other Governmental</u>	<u>Total</u>
Taxes:						
Ad Valorem	\$ 1,150	\$ -	\$ -	\$ 651	\$ -	\$ 1,801
Sales Tax	502,539	-	-	-	-	502,539
Intergovernmental - grants:						
Federal	485,762	2,943,963	90,735	-	1,160,125	4,680,585
State	26,238	-	1,694	-	108,207	136,139
Other	323,822	-	-	-	222,459	546,281
Total	<u>\$ 1,339,511</u>	<u>\$ 2,943,963</u>	<u>\$ 92,429</u>	<u>\$ 651</u>	<u>\$ 1,490,791</u>	<u>\$ 5,867,345</u>

No allowance for doubtful accounts has been established as the School Board expects to collect the full balance.

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NOTE 6 - CAPITAL ASSETS Capital assets balances and activity for the year ended June 30, 2010, are as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Governmental activities				
Capital asset not being depreciated				
Land	\$ 319,013	\$ -	\$ -	\$ 319,013
Construction in progress	970,745	1,071,936	2,042,681	-
Total capital assets not being depreciated	1,289,758	1,071,936	2,042,681	319,013
Capital assets being depreciated				
Buildings	40,809,285	2,042,681	202,880	42,649,086
Furniture and equipment	7,750,816	858,770	235,423	8,374,163
Total capital assets being depreciated	48,560,101	2,901,451	438,303	51,023,249
Less accumulated depreciation				
Buildings	19,564,161	923,906	202,880	20,285,187
Furniture and equipment	5,467,759	602,967	193,122	5,877,604
Total accumulated depreciation	25,031,920	1,526,873	396,002	26,162,791
Total capital assets being depreciated, net	23,528,181	1,374,578	42,301	24,860,458
Governmental activities				
Capital assets, net	\$ 24,817,939	\$ 2,446,514	\$ 2,084,982	\$ 25,179,471

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 946,778
Special programs	60,512
Other instructional programs	88,672
Student services	381
Instructional staff support	29,140
General administration	3,455
Business services	16,708
Plant services	102,218
Student transportation services	211,850
Central services	40,842
Food services	26,317
Total depreciation expense	\$ 1,526,873

NOTE 7 - RETIREMENT SYSTEMS

Plan description Substantially all School Board employees participate in either the Teachers' Retirement System or the Louisiana School Employees' Retirement System (the Systems), which are cost-sharing, multiple-employer public employee retirement systems (PERS). Benefit provisions are ultimately approved and amended by the Louisiana Legislature.

Participation in the Teachers' Retirement System is divided into two plans - the Teachers' Regular Plan and the Teachers' Plan B. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Louisiana Teachers' Retirement System (TRS); other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System (LSERS). Generally, all full-time employees are eligible to participate in the system.

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With respect to the Teachers' Retirement System Regular Plan, normal retirement is at age 60 with ten years of service, or at any age with 20 years of service. The formula for annual maximum retirement benefits is generally 2% (with less than 25 years of service) or 2.5% (with 25 or more years of service) times the years of creditable service times the average salary of the 36 highest successive months (plus \$300 applicable to persons becoming members prior to July 1, 1986).

Under the Teachers' Retirement System Plan B, normal retirement is at age 55 with at least 30 years of creditable service or at age 60 with at least ten years of creditable service. The retirement benefit formula is generally 2% times the years of creditable service times the retirees' average salary of the 36 highest successive months.

Employees participating in the School Employees' Retirement System are eligible for normal retirement after 30 years of service, or after 25 years of service at age 55 or after ten years of service at age 60. The maximum retirement allowance is computed at 2.5% times the highest 36 months of average salary, times the years of service plus a supplement of \$2.00 per month times the years of service.

Both TRS and LSERS issue annual financial reports. The reports can be obtained by telephoning or writing to the following:

Teachers' Retirement System of Louisiana
Post Office Box 94123
Baton Rouge, Louisiana 70804-9123
(225) 925-6446

Louisiana School Employees' Retirement System
Post Office Box 44516
Baton Rouge, Louisiana 70804
(225) 925-6484

Funding Policy Each system is administered and controlled at the state level by a separate board of trustees, with contribution rates approved and amended by the Louisiana Legislature. Benefits of the systems are funded by employee and employer contributions. Benefits granted by the retirement systems are guaranteed by the state of Louisiana under provisions of the Louisiana Constitution of 1974. The School Board's employer contribution for the TRS, as provided by state law, is funded by deductions from local ad valorem taxes, and by remittances from the School Board. For the LSERS, the School Board's employer contribution is funded by annual appropriations.

In addition, the employer does not remit to the Teachers' Retirement System, Regular Plan or Plan B, the employer's contribution for the professional improvement program (PIP) portion of payroll. The PIP contribution is made directly to the Retirement System by the state of Louisiana.

Contribution rates (as a percentage of covered salaries) for active plan members as established by the Louisiana Legislature for the year ended June 30, 2010 are as follows:

	<u>Employee</u>	<u>Employer</u>
Louisiana Teachers' Retirement System:		
Regular	8.0%	15.5%
Plan B	5.0%	15.5%
Louisiana School Employees' Retirement System	7.5%	17.6%

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Total covered payroll of the School Board for TRS - Regular Plan, TRS - Plan B, and LSERS for the year ended June 30, 2010, amounted to \$23,532,267, \$469,069 and \$1,644,310, respectively. Employer contributions for the year ended June 30, 2010, and each of the two preceding years are as follows:

<u>Fiscal year ended</u>	<u>TRS</u>	<u>LSERS</u>
June 30, 2008	\$3,838,170	\$301,207
June 30, 2009	3,851,822	314,290
June 30, 2010	3,733,264	289,399

The School Board paid 100% of the annually required contributions.

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS Effective with the fiscal year ended June 30, 2010, the School Board implemented Government Accounting Standards Board Statement Number 45, Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions (GASB 45).

Plan description - In accordance with state statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees on a pay-as-you-go basis. The School Board OPEB plan is a single employer defined benefit "substantive plan" as understood by past practices of the School Board and its employees. Although no written plan or trust currently exists or is sanctioned by law, the OPEB plan is reported based on communication to plan members. Also, no stand-alone financial report was prepared. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits and similar benefits for active employees are provided through the Office of Group Benefits, whose monthly premiums are paid jointly by the employee and the School Board.

Funding Policy - The contribution requirements of plan members and the School Board are established and may be amended by LRS 42:801-883. Employees do not contribute to their post employment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a rate schedule. Contribution amounts are approximately 25% retiree/75% employer of the stated costs of healthcare coverage.

The plan is currently financed on a "pay as you go basis", with the School Board contributing \$2,998,769 for 456 retirees for the year ended June 30, 2010.

Annual Other Post Employment Benefit Cost and Liability - The School Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45, which is being implemented for the year ended June 30, 2010. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities (UAL) over a period of thirty years. A 30 year amortization period (the maximum amortization period allowed by GASB 45) was used for post employment benefits. The total ARC for fiscal year 2010 is \$7,033,620 as set forth below:

Normal Cost	\$ 3,061,037
30-year UAL amortization amount	3,972,583
Annual required contribution (ARC)	<u>\$ 7,033,620</u>

Since this fiscal year is the first fiscal year for which GASB 45 is applicable for the School Board, no information for prior years.

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The following table presents the School Board's OPEB Obligation for fiscal year 2010:

	2010	2009
Beginning Net OPEB Obligation July 1,	\$ 4,034,849	\$ None
Annual required contribution	6,763,094	6,763,094
Interest on prior year Net OPEB Obligation	270,526	270,524
Adjustment to ARC	-	-
Annual OPEB Cost	7,033,620	7,033,618
Less current year retiree premiums	(2,993,511)	(2,998,769)
Increase in Net OPEB Obligation	4,040,109	4,034,849
Ending Net OPEB Obligation at June 30,	<u>\$ 8,074,958</u>	<u>\$ 4,034,849</u>

Utilizing the pay as you go method, the School Board contributed 43% of the annual post employment benefits cost during 2010 and 43% for 2009.

Funded Status and Funding Progress - Since the plan is not funded, the School Board's entire actuarial accrued liability of \$68,694,031 was unfunded.

The funded status of the plan, as determined by an actuary as of July 1, 2010, was as follows:

	2010	2009
Actuarial accrued liability (AAL)	\$ 68,694,031	\$ 68,694,031
Actuarial value of plan assets	-	-
Unfunded actuarial accrued liability (UAAL)	68,694,031	68,694,031
Funded ratio (actuarial value of plan assets/AAL)	0%	0%
Covered payroll	\$ 27,299,859	\$ 28,111,404
UAAL as a percentage of covered payroll	251.63%	244.36%

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2009, Morehouse Parish School Board actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% rate of return on investments. The expected rate on increase in healthcare costs was based on Pre-Medicare and Medicare eligible beginning at 7.8% graduated down to an ultimate annual rate of 4%. The RP 2000 system table with floating Scale AA was used in making actuarial assumptions in regards to mortality rates.

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The remaining amortization period at June 30, 2010 for other post employment benefits (OPEB) was twenty-eight years. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll. The unit credit actuarial cost method was used.

NOTE 9 - ACCOUNTS, SALARIES AND OTHER PAYABLES The payables at June 30, 2010, are as follows:

	General	Title I	School Food Service	Other Governmental	Total
Salaries and withholding	\$2,771,114	\$322,629	\$ 70,623	\$ 210,929	\$3,375,295
Accounts	595,337	14,838	26,024	5,086	641,285
Total	<u>\$3,366,451</u>	<u>\$337,467</u>	<u>\$ 96,647</u>	<u>\$ 216,015</u>	<u>\$4,016,580</u>

NOTE 10 - COMPENSATED ABSENCES At June 30, 2010, employees of the School Board have accumulated and vested \$1,681,125 of employee leave benefits, including \$24,376 of salary related benefits. These employee leave benefits were computed in accordance with GASB Codification Section C60. This amount is not expected to be paid from current available resources; therefore, the liability of \$1,681,125 is recorded as a long-term liability.

NOTE 11 - AGENCY FUND - DEPOSITS DUE OTHERS A summary of changes in agency fund deposits due others for the year ended June 30, 2010, are as follows:

Balance, beginning	\$ 379,001
Additions	1,231,960
Deductions	<u>1,280,066</u>
Balance, ending	<u>\$ 330,895</u>

NOTE 12 - LONG-TERM LIABILITIES The following is a summary of the long-term obligation transactions for the year ended June 30, 2010:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One year
Governmental Activities					
Bonds payable:					
General Obligation debt	\$ 17,690,000	\$ -	\$ 560,000	\$ 17,130,000	\$ 590,000
Notes payable	208,316	-	32,301	176,015	32,003
Other liabilities:					
Compensated absences	1,429,643	884,500	633,018	1,681,125	633,018
OPEB Liability	4,034,849	7,033,620	2,993,511	8,074,958	-
Governmental activities					
Long-term liabilities	<u>\$ 23,362,808</u>	<u>\$ 7,918,120</u>	<u>\$4,218,830</u>	<u>\$ 27,062,098</u>	<u>\$1,255,021</u>

In the past, the liability for compensated absences and OPEB has been liquidated by the general fund.

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Individual obligation issues are as follows:

<u>General obligation</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal Outstanding</u>	<u>Interest Outstanding</u>
Certificate of indebtedness					
Series 2004	\$ 175,000	3.55%	March 1, 2014	\$ 80,000	\$ 9,660
General Obligation Bonds					
Series 2003	9,800,000	3.85-5%	March 1, 2028	8,150,000	4,047,044
General Obligation Bonds					
Series 2004	4,900,000	3.6-5%	March 1, 2029	4,220,000	2,079,817
General Obligation Bonds					
Series 2007	5,070,000	4.3-6%	March 1, 2032	4,680,000	2,885,835
<u>Notes payable</u>					
QZAB note	440,040		November 1, 2015	176,015	-
Total				<u>\$ 17,306,015</u>	<u>\$ 9,022,356</u>

The general obligation debt is due as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2011	\$ 590,000	\$ 775,854	\$ 1,365,854
2012	615,000	747,148	1,362,148
2013	640,000	715,618	1,355,618
2014	670,000	685,466	1,355,466
2015	680,000	655,388	1,335,388
2016-2020	3,885,000	2,815,323	6,700,323
2021-2025	4,885,000	1,890,409	6,775,409
2026-2030	4,485,000	688,230	5,173,230
2031-2032	680,000	48,920	728,920
Total	<u>\$ 17,130,000</u>	<u>\$ 9,022,356</u>	<u>\$ 26,152,356</u>

Also, in November 2001, the School Board entered into a Qualified Zone Academy Bond Program (QZAB), with the Louisiana Local Government Environmental Facilities and Community Development Authority. This program allows qualified public schools within the state of Louisiana to borrow monies for various projects authorized under the QZAB Regulations. In November 2001, the School Board received \$440,040 from Qualified Zone Academy Bonds. The Qualified Zone Academy Bond Program is a federal program offered to school districts to acquire interest-free debt for selected projects. The federal government covers all the interest on the bonds.

The annual requirements to amortize these notes outstanding as of June 30, 2010, are as follows:

<u>Year Ending June 30,</u>	<u>QZAB Principal Payments</u>
2011	\$ 32,003
2012	32,003
2013-2016	112,009
Total	<u>\$ 176,015</u>

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In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term debt in excess of 35% of the assessed value of taxable property. At June 30, 2010, the statutory limit is \$65,376,686 and outstanding net bonded debt totals \$15,032,475.

NOTE 13 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)

Due from/to others:

Interfund receivable/payable:

<u>Receivable Fund</u>		<u>Payable Fund</u>		<u>Amount</u>
General	\$ 4,034,995	Title I		\$ 2,606,496
		School Food Service		94,467
		Other Governmental		1,334,032
Total	<u>\$ 4,034,995</u>			<u>\$ 4,034,995</u>

The general fund receivable from other governmental funds and school food service is to cover payroll expenses paid by the payroll and sales tax funds. The payable from School Food Service is not expected to be repaid within one year.

<u>Transfer in</u>	<u>Amount</u>	<u>Transfer out</u>	<u>Amount</u>
School Food Service	\$ 811,000	General Fund	\$ 811,000
Title I	15,895	Other Governmental	15,895
Total	<u>\$ 826,895</u>		<u>\$ 826,895</u>

The transfer from the general fund to school food service was to eliminate the deficit fund balance in school food service and is a one-time transfer. The transfer from other governmental funds to the Title I fund was to move some Title IV funds to Title I and is not a normal transfer.

NOTE 14 - RESERVED FUND BALANCES (FFS LEVEL ONLY)

Reservations:

Inventory This amount represents the portion of fund balance relating to inventory on hand which is therefore unavailable to be expended for other purposes.

NOTE 15 - LITIGATION AND CONTINGENCIES

Litigation The School Board is a defendant in several lawsuits. Management and legal counsel for the School Board believe that the potential claims against the School Board not covered by insurance would not materially affect the School Board's financial position.

Grant Disallowance The School Board participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. The School Board's management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

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Tax Arbitrage Rebate Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS). Management believes there is no tax arbitrage rebate liability at year end.

Construction in Progress The School Board had ongoing construction projects for most of the schools in the parish. The School Board has spent \$2,065,309 on these projects. Estimated costs to complete these projects are \$191,550.

NOTE 16 - RISK MANAGEMENT The School Board is at risk for worker's compensation, property damage, liability and theft which are covered by insurance policies. There was no substantial reduction of insurance coverage during 2010.

NOTE 17 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement No. 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments.

The state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$14,340 for the 2009-2010 year. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

NOTE 18 - ECONOMIC DEPENDENCY Statement of Financial Accounting Standards (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than ten percent of the audited entity's revenue. The Minimum Foundation funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$29,753,160 which is 53% of total revenues.

NOTE 19 - ENCUMBRANCES (FFS LEVEL ONLY) Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end and outstanding encumbrances are re-appropriated in the next year. At June 30, 2010, the School Board had entered into purchase orders and commitments as follows:

<u>General Fund</u>	<u>Title I</u>	<u>School Food Service</u>	<u>Other Governmental</u>	<u>Total</u>
\$ 273,315	\$ 11,310	\$ 1,460	\$ 9,642	\$ 295,727

Morehouse Parish School Board

REQUIRED SUPPLEMENTAL INFORMATION

Morehouse Parish School Board

SCHEDULE OF FUNDING PROGRESS FOR POST EMPLOYMENT BENEFITS PLAN

		June 30, 2010					
		(a)	(b)	(b-a)	(a/b)	(c)	(b-a/c)
Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/2009	7/1/2008	\$ -	\$ 68,694,031	\$ 68,694,031	0%	\$ 28,111,404	244.36%
6/30/2010	7/1/2008	-	68,694,031	68,694,031	0%	27,299,859	251.63%

**Morehouse Parish School Board
Budgetary Comparison Schedule**

GENERAL FUND The general fund accounts for all activities of the School Board except those that are accounted for in other funds.

TITLE I This program is designed to improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. Primarily for provision of compensatory instructional activities to educationally deprived children that reside in low-income areas and have been selected on the basis of a needs assessment. Services supplement, not supplant, those normally provided by state and local educational agencies.

SCHOOL FOOD SERVICE Through cash grants and food donations, the school food service fund assist in providing a nutritious breakfast and lunch service for school students and to encourage the domestic consumption of nutritious agricultural commodities.

MOREHOUSE PARISH SCHOOL BOARD

**GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2010**

Exhibit 1-1

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	AMOUNTS	
BUDGETARY FUND BALANCES, BEGINNING	\$ 4,602,820	\$ 4,606,954	\$ 4,643,428	\$ 36,474
Resources (inflows)				
Local sources:				
Ad valorem	3,904,309	3,371,636	4,177,824	806,188
Sales tax	5,100,000	5,540,000	5,508,309	(31,691)
Interest earnings	177,546	164,855	172,368	7,513
Other	531,705	1,353,461	865,760	(487,701)
State sources:				
Equalization	30,585,181	29,645,659	29,645,660	1
Other	348,584	342,451	378,016	35,565
Federal sources	0	0	0	-
Proceeds from sale of fixed assets	0	201,802	302,302	100,500
Insurance proceeds	0	2,863	2,863	-
Amounts available for appropriations	<u>45,250,145</u>	<u>45,229,681</u>	<u>45,696,530</u>	<u>466,849</u>
Charges to appropriations (outflows)				
Instruction:				
Regular programs	19,355,449	17,281,772	17,139,413	142,359
Special programs	3,983,244	3,901,237	3,871,267	29,970
Other instructional programs	1,861,165	1,858,746	1,980,553	(121,807)
Support services:				
Student services	1,951,080	2,125,754	2,146,410	(20,656)
Instructional staff support	1,086,319	1,119,470	1,160,866	(41,396)
General administration	168,301	102,146	112,951	(10,805)
School administration	2,569,899	2,428,638	2,432,289	(3,651)
Business services	730,083	733,061	739,618	(6,557)
Plant services	3,073,857	3,085,119	3,314,022	(228,903)
Student transportation services	2,143,530	3,061,251	2,191,543	869,708
Central services	549,971	506,721	541,879	(35,158)
Food services	268,057	534,203	535,453	(1,250)
Community services	2,000	1,000	674	326
Capital outlay	0	1,638,029	1,424,476	213,553
Debt service:				
Principal retirement	137,583	0	32,301	(32,301)
Interest and bank charges	85,077	85,065	85,065	-
Transfers to other funds	0	0	811,000	(811,000)
Total charges to appropriations	<u>37,965,615</u>	<u>38,462,212</u>	<u>38,519,780</u>	<u>(57,568)</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 7,284,530</u>	<u>\$ 6,767,469</u>	<u>\$ 7,176,750</u>	<u>\$ 409,281</u>

MOREHOUSE PARISH SCHOOL BOARD

**TITLE I
Budgetary Comparison Schedule
For the Year Ended June 30, 2010**

Exhibit 1-2

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
				POSITIVE
				(NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 0	\$ 0	\$ 0	\$ 0
Resources (inflows)				
Federal sources	6,887,114	6,887,114	5,507,240	(1,379,874)
Transfers from other funds	0	0	15,895	15,895
	<u>6,887,114</u>	<u>6,887,114</u>	<u>5,523,135</u>	<u>(1,363,979)</u>
Amounts available for appropriations				
Charges to appropriations (outflows)				
Other instructional programs	2,900,546	2,900,546	3,167,752	(267,206)
Support services:				
Student services	56,105	56,105	65,615	(9,510)
Instructional staff support	2,951,282	2,951,282	1,437,642	1,513,640
General administration	648,717	648,717	517,775	130,942
Plant services	0	0	884	(884)
Student transportation services	2,901	2,901	3,185	(284)
Central services	327,563	327,563	330,282	(2,719)
	<u>6,887,114</u>	<u>6,887,114</u>	<u>5,523,135</u>	<u>1,363,979</u>
Total charges to appropriations				
BUDGETARY FUND BALANCES, ENDING	\$ 0	\$ 0	\$ 0	\$ 0

MOREHOUSE PARISH SCHOOL BOARD

**SCHOOL FOOD SERVICE
Budgetary Comparison Schedule
For the Year Ended June 30, 2010**

Exhibit 1-3

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	
BUDGETARY FUND BALANCES, BEGINNING	\$ (964,876)	\$ (964,876)	\$ (964,876)	\$ 0
Resources (inflows)				
Local sources:				
Food services	290,448	146,429	134,595	(11,834)
State sources:				
Equalization	107,501	107,501	107,500	(1)
Federal sources	2,254,996	2,217,236	2,131,447	(85,789)
Transfers from other funds	0	0	811,000	811,000
	<u>1,688,069</u>	<u>1,506,290</u>	<u>2,219,666</u>	<u>713,376</u>
Amounts available for appropriations				
Charges to appropriations (outflows)				
Support services:				
Plant services	0	500	657	(157)
Food services	2,378,181	2,294,521	2,293,805	716
	<u>2,378,181</u>	<u>2,295,021</u>	<u>2,294,462</u>	<u>559</u>
Total charges to appropriations				
	<u>2,378,181</u>	<u>2,295,021</u>	<u>2,294,462</u>	<u>559</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ (690,112)</u>	<u>\$ (788,731)</u>	<u>\$ (74,796)</u>	<u>\$ 713,935</u>

Morehouse Parish School Board
Notes to the Budgetary Comparison Schedule

A. BUDGETS

General Budget Practices The School Board follows these procedures in establishing the budgetary data reflected in the combined financial statements:

State statute requires budgets to be adopted for the general fund and all special revenue funds.

Each year prior to September, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds' budgets. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year-end.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. There were no budget revisions during the year.

Encumbrances Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

Budget Basis of Accounting All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are originally adopted or amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following individual funds had budgeted expenditures over actual expenditures for the fiscal year ended June 30, 2010:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$38,462,212	\$38,519,780	\$57,568

MOREHOUSE PARISH SCHOOL BOARD

**Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2010**

Note C - Budget to GAAP Reconciliation - Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

	GENERAL FUND	TITLE I	SCHOOL FOOD SERVICE
<u>Sources/inflows of resources:</u>			
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 45,696,530	\$ 5,523,135	\$ 2,219,666
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(4,643,428)	-	964,876
Capital asset sale proceeds are inflows for budgetary purposes but are not revenue for reporting purposes	(302,302)	-	-
Transfers from other funds are inflows for budgetary purposes but are not revenue for reporting purposes	-	(15,895)	(811,000)
Proceeds from insurance claims are inflows of budgetary resources but are not revenue for reporting purposes	(2,863)	-	-
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>40,747,937</u>	<u>5,507,240</u>	<u>2,373,542</u>
<u>Uses/outflows of resources:</u>			
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	38,519,780	5,523,135	2,294,462
Transfers to other funds is a budgetary outflow but is not a current year expenditure for financial reporting purposes	(811,000)	-	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 37,708,780</u>	<u>\$ 5,523,135</u>	<u>\$ 2,294,462</u>

Morehouse Parish School Board

OTHER SUPPLEMENTAL INFORMATION

Morehouse Parish School Board

**COMBINING
NONMAJOR GOVERNMENTAL FUNDS -
BY FUND TYPE**

MOREHOUSE PARISH SCHOOL BOARD

**NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet - By Fund Type
June 30, 2010**

Exhibit 2

	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$ 76,578	\$ 419,064	\$ 495,642
Receivables	1,490,642	149	1,490,791
TOTAL ASSETS	<u>1,567,220</u>	<u>419,213</u>	<u>1,986,433</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	215,570	445	216,015
Interfund payables	1,333,997	35	1,334,032
Deferred revenue	0	0	0
Total Liabilities	<u>1,549,567</u>	<u>480</u>	<u>1,550,047</u>
Fund Balances:			
Unreserved and reported in Special Revenue and Capital Projects	17,653	418,733	436,386
Total Fund Balances	<u>17,653</u>	<u>418,733</u>	<u>436,386</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,567,220</u>	<u>\$ 419,213</u>	<u>\$ 1,986,433</u>

MOREHOUSE PARISH SCHOOL BOARD

**NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - By Fund Type
For the Year Ended June 30, 2010**

	Exhibit 3		
	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 0	\$ 406,474	\$ 406,474
Sales and use	0	303	303
Interest earnings	0	1,004	1,004
Other	6,161	0	6,161
State sources:			
Equalization	0	0	0
Other	415,142	0	415,142
Federal sources	4,894,094	0	4,894,094
Total Revenues	5,315,397	407,781	5,723,178
EXPENDITURES			
Current:			
Instruction:			
Regular programs	920,073	71,554	991,627
Special programs	1,000,779	14,998	1,015,777
Other instructional programs	1,259,914	48,345	1,308,259
Support services:			
Student services	472,487	3,044	475,531
Instructional staff support	961,475	5,848	967,323
General administration	281,866	13,147	305,013
School administration	111,989	17,974	129,963
Business services	9,203	0	9,203
Plant services	8,359	17,686	24,045
Student transportation services	22,930	45,067	67,997
Central services	152,964	0	152,964
Food services	84,150	1,462	85,612
Capital outlay	14,288	0	14,288
Debt service:			
Principal retirement	0	20,000	20,000
Interest and bank charges	0	4,181	4,181
Total Expenditures	5,308,477	263,308	5,571,783
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 6,920	\$ 144,475	151,395

(continued)

MOREHOUSE PARISH SCHOOL BOARD

**NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - By Fund Type
For the Year Ended June 30, 2010**

Exhibit 3

	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	\$ (15,895)	\$ 0	\$ (15,895)
Total Other Financing Sources (Uses)	(15,895)	0	(15,895)
Net Change in Fund Balances	(8,975)	144,475	135,500
FUND BALANCES (Deficit) - BEGINNING	26,628	274,258	300,886
FUND BALANCES - ENDING	\$ 17,653	\$ 418,733	\$ 436,386
			(concluded)

**Morehouse Parish School Board
Nonmajor Special Revenue Funds**

TITLE II This program is designed to improve the skills of teachers and the quality of instruction in mathematics and science, also to increase the accessibility of such instruction to all students.

SPECIAL EDUCATION These grants to states assist them in providing a free appropriate public education to all children with disabilities.

PRESCHOOL These grants to states assist them in providing a free appropriate public education to preschool disabled children aged three through five years.

ADULT EDUCATION This program was designed to improve educational opportunities for adults and to encourage the establishment of adult education programs that will enable all adults to acquire basic educational skills necessary to function in a literate society, enable adults who so desire to complete secondary school, and enable adults to benefit from job training and retraining programs and obtain productive employment to more fully enjoy the benefits and responsibilities of citizenship.

VOCATIONAL EDUCATION The purpose of these grants are to make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population, principally through concentrating resources on improving educational programs leading to academic and occupational skills needed to work in a technologically advanced society.

DRUG FREE - TITLE IV This program was designed to establish state and local programs of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) The purpose of this program is to provide grants to states, territories, or tribes to assist needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families.

8G These grants are used to improve student academic achievement or vocational-technical skills. Other uses are the purchase of superior textbooks and providing support for teachers in critical shortage areas.

EDUCATIONAL EXCELLENCE This fund accounts for the tobacco settlement money received from the state.

RURAL EDUCATION ACHIEVEMENT This grant provides financial assistance to carry out activities to help improve the quality of teaching and learning.

MFP STABILIZATION STIMULUS This is a one time appropriation under the American Recovery and Reinvestment Act of 2009 to provide assistance with financial needs for educational purposes.

MISCELLANEOUS FUNDS These include various small federal and state grants, such as Math and Science – Title II.

SPECIAL FEDERAL

MIGRANT EVENSTART This program is designed to help break the cycle of poverty and improve the literacy of participating migrant families by integrating early childhood education, adult literacy or adult basic education, and parenting education into a unified literacy program.

PHYSICAL EDUCATION PROGRAM The purpose is to provide financial assistance to initiate, expand, and improve physical education programs.

MOREHOUSE PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2010

	<u>TITLE II</u>	<u>SPECIAL EDUCATION</u>	<u>PRESCHOOL</u>	<u>ADULT EDUCATION</u>
ASSETS				
Cash and cash equivalents	\$ 0	\$ 0	\$ 0	\$ 0
Receivables	<u>62,910</u>	<u>448,260</u>	<u>11,205</u>	<u>80,596</u>
TOTAL ASSETS	<u><u>62,910</u></u>	<u><u>448,260</u></u>	<u><u>11,205</u></u>	<u><u>80,596</u></u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	15,248	85,936	0	0
Interfund payable	47,662	362,324	11,205	80,596
Deferred revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>62,910</u>	<u>448,260</u>	<u>11,205</u>	<u>80,596</u>
Fund Balances:				
Unreserved - undesignated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 62,910</u></u>	<u><u>\$ 448,260</u></u>	<u><u>\$ 11,205</u></u>	<u><u>\$ 80,596</u></u>

VOCATIONAL EDUCATION	DRUG FREE- TITLE IV	TANF	8 (g)	EDUCATIONAL EXCELLENCE	RURAL EDUCATION ACHIEVEMENT	MFP STABILIZATION STIMULUS
\$ 0	\$ 0	\$ 7,260	\$ 0	\$ 9,261	\$ 0	\$ 59,522
173,496	0	8,654	37,332	0	57,259	0
173,496	0	15,914	37,332	9,261	57,259	59,522
7,594	0	10,438	15,117	0	3,033	59,522
165,902	0	5,476	22,215	0	54,226	0
0	0	0	0	0	0	0
173,496	0	15,914	37,332	0	57,259	59,522
0	0	0	0	9,261	0	0
0	0	0	0	9,261	0	0
\$ 173,496	\$ 0	\$ 15,914	\$ 37,332	\$ 9,261	\$ 57,259	\$ 59,522

(CONTINUED)

MOREHOUSE PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2010

Exhibit 4

	MISCELLANEOUS FUNDS	SPECIAL FEDERAL	PHYSICAL EDUCATION PROGRAM	TOTAL
ASSETS				
Cash and cash equivalents	\$ 0	\$ 535	\$ 0	\$ 76,578
Receivables	165,051	272,101	173,778	1,490,642
TOTAL ASSETS	165,051	272,636	173,778	1,567,220
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	0	18,637	45	215,570
Interfund payable	165,051	245,607	173,733	1,333,997
Deferred revenue	0	0	0	0
Total Liabilities	165,051	264,244	173,778	1,549,567
Fund Balances:				
Unreserved - undesignated	0	8,392	0	17,653
Total Fund Balances	0	8,392	0	17,653
TOTAL LIABILITIES AND FUND BALANCES	\$ 165,051	\$ 272,636	\$ 173,778	\$ 1,567,220

(CONCLUDED)

Morehouse Parish School Board



MOREHOUSE PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Change in Fund Balances
For the Year Ended June 30, 2010

	<u>TITLE II</u>	<u>SPECIAL EDUCATION</u>	<u>PRESCHOOL</u>	<u>ADULT EDUCATION</u>
REVENUES				
Local sources:				
Other	\$ 0	\$ 0	\$ 0	\$ 0
State sources:				
Equalization	0	0	0	0
Other	0	27,412	0	18,457
Federal sources	405,220	1,830,279	58,615	84,041
 Total Revenues	 405,220	 1,857,691	 58,615	 102,498
 EXPENDITURES				
Current:				
Instruction:				
Regular programs	48,065	0	0	0
Special programs	0	918,378	194	0
Other instructional programs	4,431	38,714	26,358	98,513
Support services:				
Student services	0	325,684	0	0
Instructional staff support	313,374	378,896	19,229	0
General administration	37,992	169,623	4,735	3,985
School administration	0	0	0	0
Business services	0	0	0	0
Plant services	0	0	0	0
Student transportation services	0	20,209	0	0
Central services	1,358	0	0	0
Food services	0	0	0	0
Capital outlay	0	6,189	8,099	0
 Total Expenditures	 405,220	 1,857,691	 58,615	 102,498
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 0	 0	 0	 0
 OTHER FINANCING SOURCES (USES)				
Transfers out	0	0	0	0
 Total Other Financing Sources (Uses)	 0	 0	 0	 0
 Net Changes in Fund Balances	 0	 0	 0	 0
 FUND BALANCES (Deficit) - BEGINNING	 0	 0	 0	 0
 FUND BALANCES - ENDING	 \$ 0	 \$ 0	 \$ 0	 \$ 0

Exhibit 5

VOCATIONAL EDUCATION	DRUG FREE- TITLE IV	TANF	8 (g)	EDUCATIONAL EXCELLENCE	RURAL EDUCATION ACHIEVEMENT	MFP STABILIZATION STIMULUS
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
0	0	0	144,711	125,232	0	0
173,496	29,064	39,558	0	0	122,284	939,522
173,496	29,064	39,558	144,711	125,232	122,284	939,522
0	0	0	4,035	0	0	741,243
0	0	0	0	0	0	82,209
168,728	0	35,789	139,420	17,542	81,052	0
207	11,513	0	0	0	0	0
4,563	0	60	515	0	30,059	0
0	258	3,709	0	0	11,173	0
0	0	0	0	0	0	111,989
0	0	0	0	0	0	0
0	1,398	0	0	0	0	0
0	0	0	741	0	0	0
0	0	0	0	107,690	0	0
0	0	0	0	0	0	4,081
0	0	0	0	0	0	0
173,496	13,169	39,558	144,711	125,232	122,284	939,522
0	15,895	0	0	0	0	0
0	(15,895)	0	0	0	0	0
0	(15,895)	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	9,261	0	0
\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,261	\$ 0	\$ 0

(CONTINUED)

MOREHOUSE PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2010

Exhibit 5

	MISCELLANEOUS FUNDS	SPECIAL FEDERAL	PHYSICAL EDUCATION PROGRAM	TOTAL
REVENUES				
Local sources:				
Other	\$ 6,161	\$ 0	\$ 0	\$ 6,161
State sources:				
Equalization	0	0	0	0
Other	0	99,330	0	415,142
Federal sources:	341,938	612,433	257,644	4,894,094
Total Revenues	348,099	711,763	257,644	5,315,397
EXPENDITURES				
Current:				
Instruction:				
Regular programs	5,473	120,258	999	920,073
Special Programs	0	0	0	1,000,779
Other instructional programs	0	438,499	210,870	1,259,914
Support services:				
Student services	135,083	0	0	472,487
Instructional staff support	105,517	87,262	22,000	961,475
General administration	18,496	19,424	22,471	291,866
School administration	0	0	0	111,989
Business services	0	9,203	0	9,203
Plant services	3,461	1,500	0	6,359
Student transportation services	0	676	1,304	22,930
Central services	0	43,916	0	152,964
Food services	80,069	0	0	84,150
Capital outlay	0	0	0	14,288
Total Expenditures	348,099	720,738	257,644	5,308,477
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	(8,975)	0	6,920
OTHER FINANCING SOURCES (USES)				
Transfers out	0	0	0	(15,895)
Total Other Financing Sources Uses)	0	0	0	(15,895)
Net Changes in Fund Balances	0	(8,975)	0	(8,975)
FUND BALANCES (Deficit) - BEGINNING	0	17,367	0	26,628
FUND BALANCES - ENDING	\$ 0	\$ 8,392	\$ 0	\$ 17,653

(CONCLUDED)

**Morehouse Parish School Board
Nonmajor Capital Projects Funds**

SCHOOL DISTRICT 12 CONSTRUCTION

The capital projects funds are used to acquire and improve sites for school buildings and playgrounds, to purchase, erect, and/or improve school buildings and other school-related facilities, and to acquire the necessary equipment and furnishings for these facilities.

EAST MOREHOUSE PARISH TAX DISTRICT

The capital projects funds are used to acquire and improve sites for school buildings and playgrounds, to purchase, erect, and/or improve school buildings and other school-related facilities, and to acquire the necessary equipment and furnishings for these facilities.

MOREHOUSE PARISH SCHOOL BOARD
NONMAJOR CAPITAL PROJECTS FUNDS
Combining Balance Sheet
June 30, 2010

Exhibit 6

	SCHOOL DISTRICT 12 CONSTRUCTION	EAST MOREHOUSE PARISH TAX DISTRICT	TOTAL
ASSETS			
Cash and cash equivalents	\$ 40,089	\$ 378,975	\$ 419,064
Receivables	0	149	149
TOTAL ASSETS	<u>40,089</u>	<u>379,124</u>	<u>419,213</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries, and other payables	0	445	445
Interfund payables	35	0	35
Total Liabilities	<u>35</u>	<u>445</u>	<u>480</u>
Fund Balances:			
Unreserved	<u>40,054</u>	<u>378,679</u>	<u>418,733</u>
Total Fund Balances	<u>40,054</u>	<u>378,679</u>	<u>418,733</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 40,089</u>	<u>\$ 379,124</u>	<u>\$ 419,213</u>

MOREHOUSE PARISH SCHOOL BOARD

NONMAJOR CAPITAL PROJECTS FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2010

Exhibit 7

	SCHOOL DISTRICT 12 CONSTRUCTION	EAST MOREHOUSE PARISH TAX DISTRICT	TOTAL
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 51,632	\$ 354,842	\$ 406,474
Sales and use	0	303	303
Interest earnings	98	906	1,004
Other	0	0	0
Federal sources	0	0	0
Total Revenues	<u>51,730</u>	<u>356,051</u>	<u>407,781</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	0	71,554	71,554
Special programs	0	14,998	14,998
Other instructional programs	11,217	37,128	48,345
Support services:			
Student services	0	3,044	3,044
Instructional staff support	0	5,848	5,848
General administration	1,680	11,467	13,147
School administration	0	17,974	17,974
Business services	0	0	0
Plant services	9,718	7,968	17,686
Student transportation	0	45,067	45,067
Food services	0	1,462	1,462
Capital outlay	0	0	0
Debt service:			
Principal retirement	20,000	0	20,000
Interest and bank charges	4,181	0	4,181
Total Expenditures	<u>48,796</u>	<u>216,510</u>	<u>263,306</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>4,934</u>	<u>139,541</u>	<u>144,475</u>
FUND BALANCES - BEGINNING	<u>35,120</u>	<u>239,138</u>	<u>274,258</u>
FUND BALANCES - ENDING	<u><u>\$ 40,054</u></u>	<u><u>\$ 378,679</u></u>	<u><u>\$ 418,733</u></u>

**Morehouse Parish School Board
Agency Funds**

SCHOOL ACTIVITIES AGENCY FUND The activities of the various individual school accounts are accounted for in the school activities agency fund. While the accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

MOREHOUSE PARISH SCHOOL BOARD

AGENCY FUNDS

**Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2010**

Exhibit 8

	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
*****SCHOOL ACTIVITIES FUND*****				
ASSETS				
Cash and cash equivalents	\$ 379,001	\$ 1,231,960	\$ 1,280,066	\$ 330,895
	<u>379,001</u>	<u>1,231,960</u>	<u>1,280,066</u>	<u>330,895</u>
LIABILITIES				
Deposits due others	<u>379,001</u>	<u>1,231,960</u>	<u>1,280,066</u>	<u>330,895</u>
	<u>\$ 379,001</u>	<u>\$ 1,231,960</u>	<u>\$ 1,280,066</u>	<u>\$ 330,895</u>

MOREHOUSE PARISH SCHOOL BOARD

**SCHOOL ACTIVITIES AGENCY FUND
Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 2010**

Exhibit 9

<u>SCHOOL</u>	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
H. V. ADAMS	\$ 10,588	\$ 48,693	\$ 55,276	\$ 4,005
MOREHOUSE JUNIOR HIGH	27,654	90,942	86,414	32,182
BASTROP HIGH	229,423	601,809	643,386	187,846
BEEKMAN	11,397	57,755	66,895	2,257
CARVER	1,856	19,631	21,018	469
CHERRY RIDGE	4,077	47,217	45,612	5,682
DELTA HIGH	10,921	54,912	54,050	11,783
EAST SIDE	4,070	31,830	34,819	1,081
MOREHOUSE MAGNET SCHOOL	1,852	97,682	92,488	7,046
OAK HILL	2,553	42,016	40,636	3,933
PINE GROVE	29,107	86,448	92,492	23,063
SOUTH SIDE	45,208	50,744	44,728	51,224
BLA	295	2,281	2,252	324
TOTAL	\$ 379,001	\$ 1,231,960	\$ 1,280,066	\$ 330,895

**Morehouse Parish School Board
Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2010**

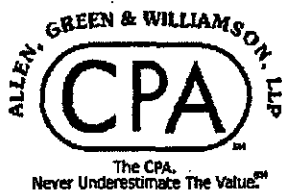
Exhibit 10

The schedule of compensation paid to the School Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$200 per month, and the president receives an additional \$50 per month for performing the duties of his office.

<u>Board Member</u>	<u>Amount</u>
* Loe Dunn, President	\$ 2,700
Jeffrey S. Churchwell, Vice President	2,400
Sylvia Reese	2,400
Rodney Dew	2,400
** Phillip Wayne McCready	2,700
Hamp Lenoir	2,400
Melissa Chain	<u>2,400</u>
Total	<u>\$17,400</u>

* President as of January 1, 2010

** President until December 31, 2009



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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Board Members
Morehouse Parish School Board
Bastrop, Louisiana

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Morehouse Parish School Board, as of and for the year ended June 30, 2010, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated December 17, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the School Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting described in the accompanying schedule of findings and questioned costs as item 10-F2 that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Boards' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings and Questioned Costs as item 10-F1.

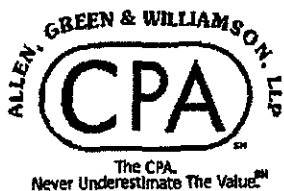
The School Board's response to the findings identified in our audit is described in the accompanying Corrective Action Plan for Current Year Findings and Questioned Costs. We did not audit the School Board's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green + Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 17, 2010



ALLEN, GREEN & WILLIAMSON, LLP

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(Retired) 1963 - 2009

Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

Board Members
Morehouse Parish School Board
Bastrop, Louisiana

Compliance

We have audited the compliance of Morehouse Parish School Board with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2010. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School Board's compliance with those requirements.

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Board's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 10-F3. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The School Board's response to the findings identified in our audit is described in the accompanying Corrective Action Plan for Current Year Findings and Questioned Costs. We did not audit the School Board's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 17, 2010

**Morehouse Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010**

Exhibit 11

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass-Through Grantor No.	Expenditures
CASH FEDERAL AWARDS			
United States Department of Agriculture Passed Through Louisiana Department of Education:			
Child Nutrition Cluster:			
Cash Assistance:			
School Breakfast Program	10.553	N/A	\$ 563,309
National School Lunch Program	10.555	N/A	1,397,546
Summer Food Program	10.559	N/A	122,387
Total Cash Assistance			
Non-Cash Federal Awards:			
Food Distribution (Commodities)	10.555	N/A	48,205
Total Child Nutrition Cluster			2,131,447
Fresh Fruit and Vegetable Program	10.582	N/A	80,069
Total United States Department of Agriculture			2,211,516
United States Department of Education			
Direct: Physical Education Program	84.215F	Q215F080368	257,644
Direct: Migrant Evenstart in NE LA	84.214	N/A	314,102
Passed Through Louisiana Department of Education:			
Adult Education - State Grant Program	84.002	28-10-13-34, 28-09-44-34C, 28-10-44-34	84,041
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	28-10-T1-34	3,454,065
ARRA Title I	84.389	28-09-AI-34	2,046,555
Title I-School Improvement	84.010A	N/A	6,620
Total Title I Cluster:			5,507,240
Special Education Cluster:			
Grants to States (Part B)	84.027	28-10-B1-34	1,171,704
ARRA - IDEA Part B	84.391	28-09-AI-34	658,575
Preschool Grants	84.173	28-10-P1-34	54,436
Preschool ARRA	84.392	28-09-AP-34	4,179
Total Special Education Cluster			1,888,894
Vocational Education			
Basic Grants to States	84.048	28-10-02-34	123,496
Title II (Mathematics and Science Partnerships)	84.366	28-09-MP-34, 28-08-MP-34	261,869
Title II (Improving Teacher Quality)	84.367	28-10-50-34	405,220
Title IV (Safe and Drug-Free Schools - State Grant)	84.186	28-10-70-34	29,064
Rural Education Achievement Program (REAP)	84.358	28-10-RE-34, 28-09-RE-34	122,284
EETT Cluster:			
Enhancing Education Through Technology	84.318	28-10-49-34, 28-10-55-34	56,193
EETT ARRA	84.386	28-09-59-34	150,611
Total EETT Cluster			206,804
State Fiscal Stabilization - ARRA	84.394	28-10-AS-34	939,522
Total United States Department of Education			10,140,180

(Continued)

**Morehouse Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010**

Exhibit 11

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA <u>Number</u>	Pass-Through <u>Grantor No.</u>	<u>Expenditures</u>
CASH FEDERAL AWARDS			
United States Department of Health and Human Services			
Passed Through the Louisiana Department of Education:			
Temporary Assistance for Needy Families	93.558	28-10-EP-34, 28-10-JS-34, 28-10-36-34	89,558
United States Department of Defense			
Direct Programs			
Department of The Army			
ROTC	12.UNK	N/A	91,527
TOTAL FEDERAL AWARDS			<u>\$ 12,532,781</u> (Concluded)

Morehouse Parish School Board
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Morehouse Parish School Board. The School Board reporting entity is defined in note 1 to the School Board's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in note 1 to the School Board's basic financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the School Board's basic financial statements as follows:

Title I	\$ 5,507,240
School Food Service	2,131,447
Title II	405,220
Special Education	1,830,279
Preschool	58,615
Adult Education	84,041
Vocational Education	173,496
Drug Free - Title IV	29,064
TANF	39,558
Rural Education Achievement	122,284
State Fiscal Stabilization Fund	939,522
Miscellaneous Funds	341,938
Special Federal	612,433
Physical Education Program	257,644
Total	<u>\$ 12,532,781</u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 5 - MATCHING REVENUES For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

NOTE 6 - NONCASH PROGRAMS AND LOANS OUTSTANDING The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

**Morehouse Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2010**

PART I - Summary of the Auditors' Results

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. There was one significant deficiency required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States. The significant deficiency was not considered to be a material weakness.
- iii. There was one instance of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statements.

Audit of Federal Awards

- iv. There was one significant deficiency required to be disclosed by OMB Circular A-133. The significant deficiency was not considered to be a material weakness.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed one finding which the auditor is required to report under OMB Circular A-133, Section .510(a).
- vii. The major federal programs are:

Child Nutrition Cluster:

School Breakfast Program	CFDA# 10.553
National School Lunch Program	CFDA# 10.555
Summer Food Program	CFDA# 10.559

Title I Cluster:

Title I Grants to Local Educational Agencies	CFDA# 84.010
ARRA – Title I	CFDA# 84.389

State Fiscal Stabilization Fund – Education Grants	CFDA# 84.394
--	--------------

Special Education Cluster:

Grants to States (Part B)	CFDA# 84.027
ARRA – IDEA Part B	CFDA# 84.391
Preschool Grants	CFDA# 84.173
ARRA – Preschool	CFDA# 84.392

Educational Technology State Grants Cluster:

Educational Technology State Grants	CFDA# 84.318
Educational Technology State Grants-Recovery Act	CFDA# 84.386

**Morehouse Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2010**

- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular A-133, Section .520(b) was \$375,983.
- ix. The auditee does qualify as a low-risk auditee under OMB Circular A-133, Section .530.

**Morehouse Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2010**

PART II – Findings related to the basic financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Reference # and title: **10-F1** **Local Government Budget Act**

Criteria or specific requirement: : The Louisiana Local Government Budget Act states the adopted budget should be balanced with approved expenditures not exceeding the total of estimated funds available. A deficit budget should not be adopted.

Condition: The School Food Service Fund adopted a budget with a deficit balance.

Possible asserted effect (cause and effect):

Cause: The School Food Service Fund had a beginning deficit fund balance from prior years which resulted in the adoption of a budget with a deficit ending fund balance.

Effect: The School Food Service Fund is in violation of the Louisiana Local Government Budget Act.

Recommendations to prevent future occurrences: A plan should be developed to bring the School Food Service Fund out of a deficit fund balance.

Reference # and title: **10-F2** **Capital Assets**

Criteria or specific requirement: Good internal controls state that all construction projects should be accounted for so that there is a basis for the cost of the project that is added to the capital assets listing and that all construction projects be added to the capital asset listing immediately upon completion.

Condition: We noted that none of the completed construction projects for 09-10 year or the 08-09 year were added to the capital assets listing.

Possible asserted effect (cause and effect):

Cause: Unknown

Effect: All capital assets are not shown on the capital assets listing.

Recommendations to prevent future occurrences: The School Board should take steps to ensure that all capital assets are added to the capital assets listing in a timely manner.

**Morehouse Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2010**

PART III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section .510(a):

Reference # and title: **10-F3** **Procurement, Suspension and Debarment**

Identification of Federal Program and Award Year:

FEDERAL GRANTOR/

PASS-THROUGH GRANTOR/PROGRAM NAME

CFDA NO.

AWARD YEAR

United States Department of Education

Passed through La. Department of Education

Title I Cluster:

Title I

84.010

2010

Title I – Recovery Act

84.389

2010

Special Education Cluster:

IDEA Part B

84.027

2010

IDEA Preschool

84.173

2010

IDEA Part B – Recovery Act

84.391

2010

IDEA Preschool – Recovery Act

84.392

2010

Educational Technology State Grants Cluster:

Enhancing Education through Technology

84.318

2010

Education Technology State Grant

84.386

2010

State Fiscal Stabilization Funds

84.394

2010

Criteria or specific requirement: Federal regulation 2 CFR part 180 requires that entities receiving federal funds must verify that the entity in which it expects to spend \$25,000 or more for goods and services is not suspended or debarred or otherwise excluded from receiving federal funds.

Condition: The School Board does not have controls implemented to verify that entities in which it expects to spend \$25,000 or more for goods or services are not suspended or debarred or otherwise excluded from receiving federal funding for the federal programs listed above.

Possible asserted effect (cause and effect):

Cause: No controls implemented to ensure that School Board complies with the federal regulation for Suspension and Debarment.

Effect: The School Board does not verify that entities in which it intends to expend \$25,000 or more are not suspended or debarred or otherwise excluded before purchasing goods and services.

Recommendations to prevent future occurrences: The School Board should implement controls to verify that the entity in which it intends to expend federal funds is not suspended or debarred or otherwise excluded from receiving federal funds. This may be accomplished by either checking the Excluded Parties List System (ELPS) website, collecting a certification from the entity, or adding a clause or condition to the contract.

OTHER INFORMATION

**Morehouse Parish School Board
Summary Schedule of Prior Year Audit Findings
June 30, 2010**

Reference # and title: **09-F1** **Local Government Budget Act**

Origination date: June 30, 2007.

Condition: The School Food Service Fund adopted a budget with a deficit balance.

Corrective action planned: See corrective action plan for current year finding 10-F1.

Reference # and title: **09-F2** **Capital Assets**

Origination date: June 30, 2009.

Condition: We inspected capital assets at two locations. We randomly selected ten capital assets from each location and traced them back to the capital asset listing that is maintained by the School Board. We noted seven capital assets at one location that were not on the capital asset listing.

We also noted that the total cost per the invoices of one construction project did not match the total cost that was shown on the capital assets listing and that several completed construction projects had not yet been added to the capital assets listing.

Corrective action planned: See corrective action plan for current year finding 10-F2.

Reference # and title: **09-F3** **Free and Reduced Meal Applications**

Origination date: June 30, 2009.

Identification of Federal Program and Award Year: CFDA# 10.555 National School Lunch Program, CFDA# 10.553 School Breakfast Program; Award Year 2009.

Condition: We randomly selected twenty five applications from the application listing and noted that one application was not properly approved.

We also randomly selected twenty five applications from the completed applications and noted that one application could not be traced back to the application listing and one application was not properly approved.

Corrective action taken: The Child Nutrition Supervisor checks all applications for completeness and verifies all information.

Reference # and title: **09-F4** **Free and Reduced Meal Verifications**

Origination date: June 30, 2009.

Identification of Federal Program and Award Year: CFDA# 10.555 National School Lunch Program, CFDA# 10.553 School Breakfast Program; Award Year 2009.

**Morehouse Parish School Board
Summary Schedule of Prior Year Audit Findings
June 30, 2010**

Condition: We randomly selected ten verifications and noted that five verifications did not have a copy of the letter sent attached and one verification was noted as needing changes to eligibility after the verifications were completed. However, these changes were not made to the student's eligibility status.

Corrective action taken: The Child Nutrition Supervisor verifies all applications and keeps copies of all letters of notification on file.

**Morehouse Parish School Board
Corrective Action Plan for Current Year Audit Findings
June 30, 2010**

Reference # and title: **10-F1** **Local Government Budget Act**

Condition: The School Food Service Fund adopted a budget with a deficit balance.

Corrective action planned: The General Fund transferred a large portion of the deficit fund balance to the School Food Service Fund during the year and plans to transfer the remaining portion, if necessary, during the fiscal year. Therefore, the School Food Service Fund should not be in a deficit at June 30, 2011. This is reflected in our current 2010-2011 budget.

Person responsible for corrective action:

Tom Thrower, Superintendent
Morehouse Parish School Board
P. O. Box 872
Bastrop, LA 71221-0872

Telephone: (318) 281-5784
Fax: (318) 283-3456

Anticipated completion date: June 30, 2011

Reference # and title: **10-F2** **Capital Assets**

Condition: None of the completed construction projects for 09-10 year or the 08-09 year were added to the capital assets listing.

Corrective action planned: There was a change in staff with the person responsible for entering fixed assets retiring. A new person is now responsible for doing this and has been trained by the software providers. All fixed assets should be entered and up to date during the current fiscal year.

Person responsible for corrective action:

Tom Thrower, Superintendent
Morehouse Parish School Board
P. O. Box 872
Bastrop, LA 71221-0872

Telephone: (318) 281-5784
Fax: (318) 283-3456

Anticipated completion date: June 30, 2011

**Morehouse Parish School Board
Corrective Action Plan for Current Year Audit Findings
June 30, 2010**

Reference # and title: **10-F3** **Procurement, Suspension and Debarment**

Identification of Federal Program and Award Year:

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME</u>	<u>CFDA NO.</u>	<u>AWARD YEAR</u>
<u>United States Department of Education</u>		
Passed through La. Department of Education		
Title I Cluster:		
Title I	84.010	2010
Title I – Recovery Act	84.389	2010
Special Education Cluster:		
IDEA Part B	84.027	2010
IDEA Preschool	84.173	2010
IDEA Part B – Recovery Act	84.391	2010
IDEA Preschool – Recovery Act	84.392	2010
Educational Technology State Grants Cluster:		
Enhancing Education through Technology	84.318	2010
Education Technology State Grant	84.386	2010
State Fiscal Stabilization Funds	84.394	2010

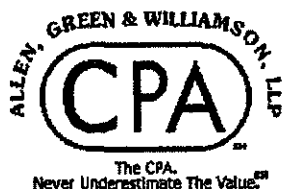
Condition: The School Board does not have controls implemented to verify that entities in which it expects to spend \$25,000 or more for goods or services are not suspended or debarred or otherwise excluded from receiving federal funding for the federal programs listed above.

Corrective action planned: A procedure is being adopted to ensure that all vendors receiving federal funds of \$25,000 or more will be checked on the EPLS website prior to issuing a purchase order.

Person responsible for corrective action:

Tom Thrower, Superintendent	Telephone: (318) 281-5784
Morehouse Parish School Board	Fax: (318) 283-3456
P. O. Box 872	
Bastrop, LA 71221-0872	

Anticipated completion date: June 30, 2011



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board Members
Morehouse Parish School Board
Bastrop, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Morehouse Parish School Board, Bastrop, Louisiana, and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the reports. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:

- Total General Fund Instructional Expenditures,
- Total General Fund Equipment Expenditures,
- Total Local Taxation Revenue,
- Total Local Earnings on Investment in Real Property,
- Total State Revenue in Lieu of Taxes,
- Nonpublic Textbook Revenue, and
- Nonpublic Transportation Revenue.

Comment: No exceptions were noted as result of applying agreed upon procedures.

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1.

Comment: No exceptions were noted as result of applying agreed upon procedures.

3. We reconciled the combined total of principals and assistant principals per schedule "Experience of Public Principals and Full-time Teachers" to the combined total of principals and assistant principals per this schedule.

Comment: No exceptions were noted as result of applying agreed upon procedures.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determine if the individual's education level was properly classified on the schedule.

Comment: Two exceptions were noted as result of applying agreed upon procedures. Two employees in which the number of years on the supporting documentation used to prepare schedule did not agree to the number of years in their personnel file.

Management's Response: Verification forms for the number of years were not received from all schools in which the two employees had previously worked. The personnel secretary has sent the necessary forms to verify the experience of those employees and will place the documentation in the personnel files when it is received. There are current procedures in place that are being used to verify all prior experience of all employees when they are hired.

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title I Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555)

Comment: No exceptions were noted as result of applying agreed upon procedures.

Experience of Public Principals and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

Comment: No exceptions were noted as result of applying agreed upon procedures.

Public Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

Comment: Exceptions were noted as result of applying agreed upon procedures. There were several instances in which the base salary amount & the full-time equivalent per the supporting documentation used to prepare the

schedule did not agree to the amount per the personnel information. Also, one instance in which the rehired retiree status per the supporting documentation used to prepare the schedule did not agree to the personnel information.

Management's Response: This exception was caused by an error in our software that prepares the PEP report. Not all of the object codes used in the payroll program was being pulled over to the PEP program. The payroll and personnel staff had done all the necessary steps in setting up the computer files; however, the program needed to be changed. We have contacted our software provider to make this change to reflect the correct amount of base salary, so that it will agree with the personnel report in the future.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

Comment: No exceptions were noted as result of applying agreed upon procedures.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1 roll books for those classes and determined if the class was properly classified on the schedule.

Comment: Two exceptions were noted as result of applying agreed upon procedures. Two students were listed on a teacher's October 1 roll book, but was not noted on the verification provided for that class.

Management's Response: One of the students that was listed on the October 1 roll book was not actually attending that school. The students are rolled over at the end of the previous year and principals are instructed not to use the rollover students, but to only count students that actually show up at the school. Many times the teachers do not delete students from their roll book. They wait for the school secretary to make the corrections. The other student was attending the school, but was listed on another teacher's class roster. This student had not been transferred to the other teacher's class at the school. The supervisor of Child Welfare & Attendance will work closely with the principals and secretaries at each school to keep these problems from happening in the future.

Louisiana Educational Assessment Program (LEAP) for the 21st Century (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

Comment: No exceptions were noted as result of applying agreed upon procedures.

The Graduation Exit Exam for the 21st Century (Schedule 8)

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

Comment: No exceptions were noted as result of applying agreed upon procedures.

The Iowa Tests (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

Comment: No exceptions were noted as result of applying agreed upon procedures.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Morehouse Parish School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

allen, Green & Williamson, LLP
ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 17, 2010

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

**General Fund Instructional and Support Expenditures
 and Certain Local Revenue Sources
 For the Year Ended June 30, 2009-2010**

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 14,216,605	
Other Instructional Staff Activities	1,399,369	
Instructional Staff Employee Benefits	7,008,737	
Purchased Professional and Technical Services	32,773	
Instructional Materials and Supplies	511,355	
Instructional Equipment	0	
Total Teacher and Student Interaction Activities		\$ 23,168,839
Other Instructional Activities		115,048
Pupil Support Services	1,713,721	
Less: Equipment for Pupil Support Services	0	
Net Pupil Support Services		1,713,721
Instructional Staff Services	1,152,637	
Less: Equipment for Instructional Staff Services	0	
Net Instructional Staff Services		1,152,637
School Administration	2,432,290	
Less: Equipment for School Administration	0	
Net School Administration		2,432,290
Total General Fund Instructional Expenditures (Total of Column B)		28,582,535
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		879,875
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		767,282
Renewable Ad Valorem Tax		3,706,380
Debt Service Ad Valorem Tax		1,469,054
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		117,339
Sales and Use Taxes		5,508,612
Total Local Taxation Revenue		11,568,667
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		107,965
Earnings from Other Real Property		45,125
Total Local Earnings on Investment in Real Property		153,090
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		75,875
Revenue Sharing - Other Taxes		129,082
Revenue Sharing - Excess Portion		
Other Revenue in Lieu of Taxes		
Total State Revenue in Lieu of Taxes		204,957
Nonpublic Textbook Revenue		6,137
Nonpublic Transportation Revenue		0

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

Education Levels of Public School Staff
As of October 1, 2009

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	2	0.554%	0	0.000%	0	0.000%		
Bachelor's Degree	218	60.405%	14	3.879%	0	0.000%		
Master's Degree	76.79	21.000%	4	1.108%	5	1.385%		
Master's Degree + 30	24.11	6.681%	1	0.277%	12	3.325%		
Specialist in Education	3	0.831%	0	0.000%	1	0.277%		
Ph. D. or Ed. D.	1	0.277%	0	0.000%	0	0.000%		
Total	323.9	89.748%	19	5.265%	18	4.988%	0	0.000%

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

Number and Type of Public Schools
For the Year Ended June 30, 2010

Type	Number
Elementary	10
Middle/Jr. High	2
Secondary	2
Combination	
Total	14

Note: Schools opened or closed during the fiscal year are included in this schedule.

Schedule 4

**MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana**

**Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers
As of October 1, 2009**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals			1.00	1.00			5.00	7.00
Principals			1.00		3.00	2.00	5.00	11.00
Classroom Teachers	45.00	31.00	83.00	53.00	47.00	30.11	53.79	342.90
Total	45.00	31.00	85.00	54.00	50.00	32.11	63.79	360.90

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

Public School Staff Data: Average Salaries
For the Year Ended June 30, 2010

	Classroom Teachers Excluding ROTC, Retired Retirees, and Flagged Salary Reductions	
	All Classroom Teachers	
Average Classroom Teachers' Salary Including Extra Compensation	\$ 46,026.00	\$ 45,529.00
Average Classroom Teachers' Salary Excluding Extra Compensation	\$ 45,144.00	\$ 44,685.00
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	347.1581	330.7038

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

Class Size Characteristics
As of October 1, 2009

School Type	Class Size Range							
	1 - 20		21 - 28		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	24%	452	16%	289	3%	55	1%	18
Elementary Activity Classes	6%	115	4%	81	1%	15	1%	11
Middle/Jr. High	9%	166	1%	20				
Middle/Jr. High Activity Classes	3%	62			0%	1		
High	16%	306	8%	154	1%	26		
High Activity Classes	5%	87	1%	8	0%	4		
Combination								
Combination Activity Classes								

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2010

District Achievement Level Results	English Language Arts						Mathematics					
	2008		2009		2010		2008		2009		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	11	2	5	1	6	1	11	2	3	1	8	2
Mastery	70	16	53	14	37	9	65	15	31	8	56	13
Basic	229	51	178	48	181	43	223	50	177	48	207	49
Approaching Basic	89	20	81	22	122	29	97	22	89	24	98	23
Unsatisfactory	48	11	53	14	77	18	51	11	70	19	58	14
Total	447	100	370	99	423	100	447	100	370	100	425	101

District Achievement Level Results	Science						Social Studies					
	2008		2009		2010		2008		2009		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	6	1	7	2	5	1	6	1	2	1	3	1
Mastery	49	11	42	11	32	8	34	8	29	8	26	6
Basic	196	44	150	41	160	38	191	43	176	48	203	48
Approaching Basic	158	35	117	32	157	37	121	27	87	24	109	26
Unsatisfactory	38	9	54	15	72	17	95	21	76	21	85	20
Total	447	100	370	101	426	101	447	100	370	101	426	101

District Achievement Level Results	English Language Arts						Mathematics					
	2008			2009			2010			2008		
	Number	Percent		Number	Percent		Number	Percent		Number	Percent	
Students												
Grade 8												
Advanced	0	0		4	1	0	8	3	21	6	2	1
Mastery	26	8		36	11	37	10	3	13	4	6	2
Basic	135	43		153	48	145	46	172	55	139	42	45
Approaching Basic	122	39		117	35	112	35	76	24	97	29	30
Unsatisfactory	32	10		22	7	21	7	48	15	62	19	23
Total	315	100		332	100	316	100	314	100	332	100	315

District Achievement Level Results	Science						Social Studies					
	2008			2009			2010			2008		
	Number	Percent		Number	Percent		Number	Percent		Number	Percent	
Students												
Grade 8												
Advanced	3	1		7	2	0	0	0	3	1	0	0
Mastery	42	13		49	15	29	9	28	30	9	26	8
Basic	119	38		102	31	112	35	137	44	148	45	41
Approaching Basic	97	31		128	38	122	38	108	35	95	29	31
Unsatisfactory	52	17		47	14	57	18	39	13	55	17	21
Total	313	100		333	100	320	100	312	101	331	101	320

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

**Graduation Exit Examination (GEE)
For the Year Ended June 30, 2010**

District Achievement Level Results	English Language Arts						Mathematics					
	2008		2009		2010		2008		2009		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	2	1	3	1	2	1	16	7	15	6	17	7
Mastery	12	5	23	9	26	11	40	18	28	11	33	14
Basic	101	45	134	53	94	41	76	34	126	50	108	47
Approaching Basic	67	30	79	31	87	38	46	20	55	22	38	16
Unsatisfactory	43	19	14	6	22	10	47	21	29	11	36	16
Total	225	100	253	100	231	101	225	100	253	100	232	100

District Achievement Level Results	Science						Social Studies					
	2008		2009		2010		2008		2009		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	2	1	2	1	1	0	3	1	2	1	2	1
Mastery	21	10	26	14	24	11	15	7	14	8	22	10
Basic	82	41	64	34	87	40	94	47	85	46	125	58
Approaching Basic	54	27	51	27	66	30	58	29	44	24	46	21
Unsatisfactory	42	21	44	24	39	18	31	15	41	22	22	10
Total	201	100	187	100	217	99	201	99	186	101	217	100

Schedule 9

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

IOWA and ILEAP Tests
For the Year Ended June 30, 2010

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	1	0	6	2	9	2	6	2
Mastery	40	11	28	7	35	9	42	11
Basic	163	44	163	44	161	43	165	44
Approaching Basic	107	29	93	25	125	33	86	25
Unsatisfactory	63	17	84	22	44	12	65	17
Total	374	101	374	100	374	99	374	100

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	5	1	8	2	9	3	2	1
Mastery	38	11	27	8	37	11	43	13
Basic	133	39	158	47	137	41	155	48
Approaching Basic	118	35	73	22	109	32	81	24
Unsatisfactory	43	13	71	21	45	13	56	17
Total	337	99	337	100	337	100	337	100

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	1	0	14	4	3	1	5	1
Mastery	20	6	25	7	26	8	18	5
Basic	188	56	148	44	141	42	148	44
Approaching Basic	97	29	89	26	129	38	95	28
Unsatisfactory	30	9	61	18	37	11	69	21
Total	336	100	337	99	336	100	335	99

District Achievement Level Results		English Language Arts		Mathematics		Science		Social Studies	
		2008	2008	2008	2008	2008	2008	2008	2008
Students		Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7									
Advanced		9	2	7	0	0	0	5	1
Mastery		34	9	17	4	26	7	22	6
Basic		169	43	164	42	144	37	159	41
Approaching Basic		131	33	122	31	145	37	108	28
Unsatisfactory		49	13	82	21	76	19	97	25
Total		392	100	392	100	391	100	391	101

District Achievement Level Results		English Language Arts		Mathematics	
		2008	2008	2008	2008
Students		Number	Percent	Number	Percent
Grade 9					
Advanced		2	1	11	4
Mastery		28	10	17	6
Basic		181	61	171	58
Approaching Basic		74	25	73	25
Unsatisfactory		10	3	24	8
Total		286	100	296	101

District Achievement Level Results		English Language Arts		Mathematics		Science		Social Studies	
		2009	2009	2009	2009	2009	2009	2009	2009
Students		Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3									
Advanced		1	0	12	3	1	0	1	0
Mastery		55	13	51	12	45	10	58	13
Basic		170	39	185	42	141	32	185	42
Approaching Basic		142	33	114	26	186	43	114	26
Unsatisfactory		68	16	74	17	63	14	78	18
Total		436	101	436	100	436	89	436	99

District Achievement Level Results		English Language Arts		Mathematics		Science		Social Studies	
		2009	2009	2009	2009	2009	2009	2009	2009
Students		Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5									
Advanced		4	1	7	2	7	2	1	0
Mastery		28	7	26	7	36	9	19	5
Basic		184	48	163	42	132	34	183	47
Approaching Basic		118	30	105	27	138	36	124	32
Unsatisfactory		53	14	86	22	74	19	60	16
Total		387	100	387	100	387	100	387	100

District Achievement Level		English Language Arts		Mathematics		Science		Social Studies	
Results		2009		2009		2009		2009	
Students		Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6									
Advanced									
Mastery		4		1	11	3	6	2	13
Basic		36		11	44	14	34	11	24
Approaching Basic		188		59	183	58	145	46	173
Unsatisfactory		76		24	40	13	114	36	80
		13		4	39	12	18	5	27
Total		317		100	317	100	317	100	317
									101

District Achievement Level		English Language Arts		Mathematics		Science		Social Studies	
Results		2009		2009		2009		2009	
Students		Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7									
Advanced		4		1	6	2	2	1	5
Mastery		33		9	30	8	32	9	38
Basic		188		51	150	41	148	40	174
Approaching Basic		113		31	109	30	133	36	109
Unsatisfactory		30		8	70	19	51	14	38
Total		388		100	365	100	366	100	364
									99

District Achievement Level		English Language Arts		Mathematics	
Results		2009		2009	
Students		Number	Percent	Number	Percent
Grade 9					
Advanced		1		0	11
Mastery		23		8	44
Basic		167		57	161
Approaching Basic		90		31	50
Unsatisfactory		14		5	29
Total		295		101	295
					101

District Achievement Level		English Language Arts		Mathematics		Science		Social Studies	
Results		2010		2010		2010		2010	
Students		Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3									
Advanced		0		0	9	2	12	3	5
Mastery		30		8	44	11	32	8	34
Basic		148		37	167	42	153	39	156
Approaching Basic		141		36	114	29	145	37	121
Unsatisfactory		78		20	63	16	54	14	60
Total		397		101	397	100	398	101	396
									100

District Achievement Level		English Language Arts		Mathematics		Science		Social Studies	
Results		2010		2010		2010		2010	
Students		Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5									
Advanced		1	0	5	2	4	1	0	0
Mastery		36	13	35	12	38	13	17	6
Basic		122	43	137	49	116	41	144	51
Approaching Basic		96	34	65	23	96	34	67	24
Unsatisfactory		27	10	40	14	28	10	54	19
Total		282	100	282	100	282	99	282	100

District Achievement Level		English Language Arts		Mathematics		Science		Social Studies	
Results		2010		2010		2010		2010	
Students		Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6									
Advanced		6	2	5	1	5	1	7	2
Mastery		48	14	39	12	50	15	31	9
Basic		183	54	179	53	143	42	152	45
Approaching Basic		86	25	65	19	121	36	107	32
Unsatisfactory		16	5	51	15	20	6	42	12
Total		339	100	339	100	339	100	339	100

District Achievement Level		English Language Arts		Mathematics		Science		Social Studies	
Results		2010		2010		2010		2010	
Students		Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7									
Advanced		8	2	9	3	5	2	0	0
Mastery		41	13	34	10	40	12	40	12
Basic		184	57	171	52	156	48	182	56
Approaching Basic		80	25	70	21	100	31	69	21
Unsatisfactory		12	4	42	13	24	7	33	10
Total		325	101	326	99	325	100	324	99

District Achievement Level		English Language Arts		Mathematics	
Results		2010		2010	
Students		Number	Percent	Number	Percent
Grade 9					
Advanced		0	0	17	6
Mastery		33	11	32	11
Basic		146	49	151	51
Approaching Basic		105	35	56	19
Unsatisfactory		15	5	43	14
Total		299	100	299	101